LAW
No. 9901, dated 14.4.2008

FOR TRADERS AND TRADING COMPANIES

In accordance with Articles 78 and 83, point 1 of the Constitution, upon the proposal of the Council of Ministers,

ASSEMBLY
OF THE REPUBLIC OF ALBANIA

DECIDED:

PART I
GENERAL PROVISIONS

TITLE I

PROVISIONS APPLICABLE TO THE TRADER
AND TRADING COMPANIES

Article 1
Scope of the law, definitions, mandatory registrations

1. This law regulates the status of the trader, the establishment and administration of commercial companies, the rights and obligations of the founders, partners and shareholders, the reorganization and liquidation of commercial companies. Commercial companies are general partnerships, limited partnerships, limited liability companies and joint stock companies.

2. Traders and commercial companies shall be registered at the National Registration Center, in accordance with this law and with Law No. 9723, dated 3.5.2007 "On the National Registration Center", as amended.

3. Traders and commercial companies shall keep accounting books, compile and publish financial data and reports on the status of the activity, including audit reports of authorized accounting experts in accordance with the law on accounting and financial statements.

4. Unless otherwise provided, the court referred to in this law is the commercial section of the court of the relevant judicial district, according to the provisions of Articles 334 to 336 of the Code of Civil Procedure.

5. The provisions requiring the provision of information on the company's website may be implemented by creating a direct IT link to the website where the National Registration Center publishes information about the relevant trader or company.

6. For the purposes of this law, expressions in the singular include those in the plural and vice versa, unless the context of the provision otherwise requires. The personal pronoun "he" includes the personal pronoun "she" and the personal pronoun "that" includes both genders, unless the context of the provision otherwise requires.

Article 2
dealer

1. A trader is a natural person, within the meaning of the Civil Code, who carries out independent economic activity that requires a normal commercial organization.

2. A natural person who exercises an independent profession (such as a lawyer, notary, accountant, doctor, engineer, architect, artist, etc.) is considered a trader if a special law assigns this status to him.

3. A natural person who carries out agricultural, livestock, forestry and similar activities is considered a trader if his activity is mainly focused on the processing and sale of agricultural, livestock, forestry products (agribusiness).

4. A natural person whose economic activity, due to its volume, does not require a normal commercial organization (small trader), is not considered a trader and is not subject to this law. The Minister of Finance and the Minister responsible for the economy, by joint order, shall approve the thresholds of the volume of activity, based on which the obligation to register as a trader arises.

5. The trader is registered according to articles 28, points 1 and 30 of law no. 9723, dated 3.5.2007 "On the National Registration Center". If the trader has created a website, all data notified to the National Registration Center are published on this website.

6. The trader is obliged to follow the principles of professional honesty, applicable in the commercial environment in which he operates. The trader, for the obligations arising from the activities carried out, is personally liable with all his present and future assets and rights, including movable and immovable assets, industrial and intellectual properties, credits to third parties and any other rights or assets, the value of which can be expressed in money.

7. The trader loses his status when he ceases to carry out his activity or when he is obliged to cease it. In such a case, he is deregistered from the register, in accordance with articles 48 to 53 of law no. 9723, dated 3.5.2007 "On the National Registration Center".

Article 3

Commercial companies

1. Commercial companies are established by two or more natural and/or legal persons, who agree to achieve common economic objectives, by making contributions to the company, according to the provisions of its statute. Limited liability companies and joint-stock companies can also be established by only one natural and/or legal person (companies with a single partner or shareholder).

2. Commercial companies must be registered according to Article 22 of Law No. 9723, dated 3.5.2007 "On the National Registration Center", as well as the following articles, according to the respective form of commercial company.

3. Commercial companies acquire legal personality on the date of their registration with the National Registration Center. Companies are liable with all their assets for the obligations arising from the activities carried out.

Article 4

Registered names and trade names

1. The trader and the commercial companies shall carry out their activity under the registered name. The name of the trader is his name, according to Article 5 of the Civil Code, registered in accordance with Article 30 of Law No. 9723, dated 3.5.2007 "On the National Registration Center". The name of the commercial company must be in accordance with the provisions of Article 23 of Law No. 9723, dated 3.5.2007 "On the National Registration Center".

2. Traders and commercial companies may use trade names, as well as other distinctive signs of activity and register these in accordance with article 44, point 1, letter "a" of law no. 9723, dated 3.5.2007 "On the National Registration Center".

3. The name of the trader is followed by the suffix "registered trader" or the corresponding abbreviation "TR". The name of the general partnership must be followed by the suffix "general partnership" or the abbreviation "SHK". The name of the limited partnership must be followed by the suffix "limited partnership" or the abbreviation "SHKM". The names of limited liability companies and joint stock companies contain the abbreviations indicating that they are limited liability companies "SHPK" or joint stock companies "SHA".

Article 5

Transfer of names and responsibility

1. The person to whom the activity of a trader or a commercial company is transferred may continue to use the registered name or other distinctive signs of the activity, with or without an addition indicating the change of ownership, if the previous owner of the activity or his heirs approve this use.

2. If the registered name or other distinguishing signs of the activity continue to be used, the new owner of the activity shall inherit all the commercial obligations of the previous owner. Agreements that provide otherwise than as above may not be relied upon against third parties, even if they have been made public, unless the trader or company proves that the third party was aware of the agreement or could not have been unaware of it on the basis of clear circumstances.

TITLE II
ESTABLISHMENT OF A TRADING COMPANY

Article 6
Statute

The statute of the commercial company contains the data specified in articles 32 to 36 of law no. 9723, dated 3.5.2007 "On the National Registration Center".

The fourth paragraph of Article 28 of the aforementioned law remains applicable.

Article 7
Legal object

A commercial company may engage in any activity that is not prohibited by law.

Article 8
Head office

1. Unless otherwise provided in the statute, the head office of a commercial company is the place where the main part of its commercial activity is carried out.

2. If the head office is located in the territory of the Republic of Albania, commercial companies are subject to the provisions of this law.

Article 9
Branches and representative offices

1. The persons responsible for the administration of the company may decide to open branches and/or representative offices of the company.

2. Branches are places of business and have the same legal personality as the company. They operate in a stable manner, are organized and administered separately and carry out activities with third parties on behalf of the company.

3. Representative offices are places of business activity of the company and have the same legal personality as the company. The purpose of representative offices is not to generate income, but to promote the company's activities. These offices may conclude agreements in its name and on its behalf.

4. If branches and representative offices of Albanian companies create websites, they must publish the company's unique identification number on this website.

5. Branches and representative offices of foreign companies are registered according to the requirements of articles 26 point 4, 28 point 5 and 37 of law no. 9723, dated 3.5.2007 "On the National Registration Center".

6. The branch operates under the registered name of the commercial company, as well as under its own name.

Article 10
Responsibility of founders

1. Persons acting on behalf of a company, before it acquires legal personality, shall be

personally liable, unlimitedly and jointly and severally, for actions performed on its behalf. Upon acquisition of legal personality, the rights and obligations arising from such actions shall pass to the company.

2. The founders shall make their contributions to the company, in cash or in kind, according to the methods and deadlines provided for in the statute and carry out the formalities of establishment according to the requirements of this law and of law no. 9723, dated 3.5.2007 "On the National Registration Center". The founders shall be personally and jointly liable to the company for damages caused by the failure to fulfill these obligations or by their fulfillment beyond the relevant deadlines.

3. The legal representative of the company may file a lawsuit with the relevant court for the damage caused by the failure to fulfill the obligations, according to point 2 of this article. In case of inaction of the legal representative within 90 days from the receipt of knowledge of the failure to fulfill, the lawsuit may be filed respectively by a partner of a general partnership or limited partnership, by a number of partners of a limited liability company or shareholders of a joint-stock company, who hold not less than 5 percent of the total votes in the company assembly. The lawsuit may also be filed by any creditor of the commercial company. The partners, shareholders or creditors must respect the procedures of articles 91, 92, 150 and 151 of this law. The lawsuits must be filed within 3 years after the registration of the commercial company.

Article 11
Data in correspondence and other activity documents

1. All letters, order forms or any other correspondence document, issued by the company, branches or representative offices, through the use of paper or electronic means, which are addressed to third parties, must contain the following data:

a) unique identification number;

b) the legal form of the company;

c) the location of its registered office and central office;

ç) information on whether the company is in liquidation.

If the company has a website, this information must be reflected there. In this case, point 5 of Article 1 of this law also applies.

2. The company is responsible for the authenticity of the data declared according to point 1 of this article. Issuing letters, forms and orders or any other correspondence document, in violation of point 1 of this article, constitutes an administrative offense and is punishable by a fine of up to 15,000 lek. When the administrative offense provided for in this point is ascertained during an inspection organized by the tax administration, the sanction is executed by this administration.

TITLE III
REPRESENTATION

Article 12
Legal representatives

1. Commercial companies are represented according to the rules established by this law and the provisions of the statute. The legal representation of the company is valid for any judicial or extrajudicial action .

2. Legal representatives shall comply with all limitations on the powers of representation, as set out in the statute or approved by the relevant bodies of the company. Except in the case where the company proves that the third party was aware of the limitation, or based on clear circumstances could not have been unaware of it, the limitation of powers may not be invoked against third parties, even if these limitations have been made public in a manner different from those provided for by Law No. 9723, dated 3.5.2007 "On the National Registration Center". The publication of the limitation through the publication of decisions of the relevant body of the company or the statute does not constitute sufficient proof of the knowledge of third parties, if this limitation has been made public in a manner different from those provided for by the Law on the National Registration Center.

3. Actions performed by the legal representatives of the company are binding on the company even if they exceed its object, except in the case when these actions go beyond the powers of representation that the law grants or allows to be given to the representatives. These actions are not binding on the company if the company proves that the third party was aware that the act exceeds its object, or based on clear circumstances could not have been unaware of it. Publication through an amendment to the statute does not constitute sufficient proof of the knowledge of the third party, if this amendment is made public in a manner different from those provided for by the law on the National Registration Center.

4. Any irregularity in the appointment of the legal representative does not exclude or limit the liability of the company towards third parties, unless the company proves that the third party was aware of the irregularity, or based on clear circumstances could not have been unaware of it.

Article 13

Prohibition, conflict of interest and related persons

1. Persons who have been convicted by a final decision for committing criminal offenses, provided for in Chapter III of the Special Part of the Criminal Code, for a period of up to 5 years from the date of this conviction, may not hold the functions of legal representative of a commercial company, may not be members of the board of directors or the supervisory board, nor representatives of shareholders in the general assembly.

2. The person authorized to represent or supervise the commercial company may not conclude contracts or enter into other relations with the commercial company, unless the latter declares the conditions of the action, as well as the nature and object of his interest, and the action is not authorized, in advance, by:

a) all other partners, in the case of a general partnership or limited partnership;

b) all partners or all other partners, in the case of a limited liability company;

c) the board of directors or the supervisory board, in the case of administrators of joint-stock companies;

ç) the board of directors or the supervisory board, in the case of members of the board of directors or the supervisory board in joint-stock companies.

Any preliminary and general approval is notified for registration at the National Registration Center.

3. The approval provided for in point 2 of this article shall also be granted for any contract or other relationship that the company enters into with a third party who has personal or financial relationships with the persons authorized to represent or supervise the company, or with third parties whose relationships with the aforementioned persons are such that, in a reasonable manner, they may influence their decision-making contrary to the interests of the company. The following persons are presumed to have one or more of the above interests with the persons authorized to represent or supervise the company:

a) the spouse, parents, brothers or sisters of the spouse;

b) children, parents, brothers, sisters, children's children or spouse of the above persons;

c) persons related to the person authorized to represent or supervise the company. Related persons are: ascendants or descendents, second-degree relatives, adoptive parent or adoptee, first-degree relative of the spouse;

ç) a person residing with the person authorized to represent or supervise the company.

4. Persons who request approval for a transaction, according to points 2 and 3 of this article, may not participate in the vote for approval of the action and are not counted in the quorum.

5. Shareholders shall be notified of the approval granted under points 2 and 3 of this article, as well as of the conditions of the action and the nature and object of interest. Within 6 months of the notification, the assembly may request the court to declare the legal action invalid, in cases where the approval was granted in serious violation of the law or the statute. The provisions of article 151 of this law remain applicable.

6. Any action requiring approval, according to points 2 and 3 of this article, shall be published

in the financial statements and activity performance reports, together with the conditions of the action, as well as the nature and object of interest of the persons involved.

7. A person who is, at the same time, an administrator and a partner or sole shareholder of the company, may not enter into loan or guarantee contracts with the company. Other contracts entered into between this person and the company shall be recorded in a record, which shall be kept at the company's head office. Failure to comply with this obligation constitutes an administrative offence and the administrator shall be fined up to 15,000 lek. When the administrative offence provided for in this point is ascertained during an inspection organized by the tax administration, the sanction shall be executed by this administration.

TITLE IV
PRINCIPLE OF THE OBLIGATION OF LOYALTY

Article 14
principle

1. When exercising their rights, partners and shareholders shall act taking into account the interests of the company and other partners or shareholders. The same obligation shall apply to administrators, members of the board of directors or the supervisory board.

2. Except as otherwise provided by this law or the statute, in the same circumstances, partners and shareholders enjoy the same rights, have the same obligations and are treated equally.

Article 15
The right to information

1. The persons responsible for the administration of the company shall inform all partners or shareholders of the progress of the company's activities and, upon their request, shall make available to them the annual accounts, including consolidated accounts, reports on the status and progress of the company's activities, reports of the management bodies or of authorized accounting experts, as well as any other internal documents of the company, with the exception of those specified in Article 18 of this Law. This obligation may also be fulfilled by placing this information on the company's website and informing the persons who make the request thereof. Otherwise, these documents shall be made available for inspection at the company's head office.

2. Any provision of the statute that prohibits or limits the exercise of the rights mentioned in paragraph 1 of this article is invalid.

3. If the persons responsible for the administration of the company do not provide the information requested, according to point 1 of this article, the interested partners, members or shareholders, within 30 days after the refusal, may request the competent court to order the bailiffs to execute the request of the partner or shareholder, by delivering to the latter the information and documents that the persons responsible for the administration of the company have not provided. Failure to provide the information requested, according to this article, within 7 days from the date of receipt of the request, is considered a refusal.

Article 16
Abuse of office and form of society

1. Partners, shareholders of a commercial company, administrators and members of the board of directors who commit one or more of the following actions or omissions shall be personally and jointly liable for the obligations of the company, with all their assets, if:

a) abuse the form of a commercial company to achieve illegal purposes;

b) treat the assets of the company as if they were their own assets;

c) at the moment when they became aware or should have become aware of the company's insolvency, they fail to take the necessary measures to ensure that the company, depending on the type of activity carried out, has sufficient capital to meet its obligations towards third parties.

2. Third parties may not bring a claim for the fulfillment of obligations under point 1 of this article if the company proves that the third party was aware of the abuse or, based on clear circumstances, could not have been unaware of it. The claim must be filed within 3 years from the commission of the violation.

Article 17
Prohibition of competition

1. Partners of a general partnership, unlimited partners of a limited partnership, partners and administrators of a limited liability company, as well as administrators and members of the board of directors of a joint-stock company may not hold a management position or be employed in other companies that carry out activities in the same economic sector as the first company. Also, these persons may not hold the status of trader to carry out activities in this sector.

2. The statute may provide that the prohibition referred to in paragraph 1 of this article may be repealed by a special authorization granted by the partners, in accordance with the provisions of Article 36 of this law, or by the general assembly with three-quarters of the votes, in accordance with the provisions of Articles 87 or 145 of this law.

3. The statute may also provide that the prohibition referred to in paragraph 1 of this article shall remain in force even after the loss of the qualities or status referred to therein, but not for a period longer than one year after the loss of this quality.

4. If any of the persons mentioned in point 1 of this article violates the prohibition of competition, the company may:

a) expel him from the company or dismiss him from office;

b) to request the cessation of competitive activity;

c) file a lawsuit for compensation for damages.

5. The company, as an alternative to filing a lawsuit for compensation for damage, may request each of the persons mentioned in point 1 of this article:

a) accept that transactions carried out on his behalf be transferred to the company's account;

b) transfer to the company all benefits received from carrying out actions on behalf of third parties;

c) transfer to the company all rights and credits that have arisen from the performance of actions on behalf of third parties.

6. The lawsuit for the exercise of the rights of the company shall be filed within 3 years from the date of the violation. The provisions of point 3 of article 10 of this law shall also apply to the filing of the lawsuit against the above-mentioned persons.

Article 18
Trade secret

1. A trade secret is data considered by a company to be internal information or a document, which the company protects in appropriate ways, which, if disclosed to unauthorized persons, would cause significant harm to the company's commercial interests.

2. Information that must be made public by law, that is related to a violation of the law, or that must be published based on good commercial practices and principles of commercial ethics does not constitute a trade secret. The dissemination of such information is considered lawful if the public interest is protected through this act.

3. Administrators, members of the board of directors, the supervisory board, members of the employee council, as well as employee representatives are liable to the company for damage caused by the dissemination of trade secrets of which they are aware, due to the performance of their functions in the company.

4. Except as otherwise provided by special laws, a lawsuit for the exercise of the rights of the

company must be filed within 3 years from the date of the violation. The provisions of point 3 of article 10 of this law shall also apply to the filing of a lawsuit against the above-mentioned persons.

TITLE V
EMPLOYEE PARTICIPATION

Article 19
Employees' Council

The employees of a commercial company with more than 50 employees shall establish a workers' council, with a maximum term of office of 5 years. The functions of a commercial company with more than 20 employees but less than 50 shall be performed by one representative for every 10 employees, elected by secret ballot by the assembly of the company's workers. The assembly of the workers shall elect a new representative for every additional 20 employees of the company. In any case, the workers' council may not have more than 30 members. The council may issue internal regulations to organize its procedures.

Article 20
Rights and obligations of the workers' council

1. The employees' council monitors the implementation of laws, collective agreements and provisions of the statute and represents the interests of the company's employees. The council participates in decision-making on the use of special funds and other assets of the company, provided for in the collective agreements and the statute, as well as on the distribution of the share of profits that the general assembly decides to distribute to the employees.

2. The legal representative of the company shall keep the employees' council informed of the activities and performance of the company, and in particular of the effects of the company's policies on working conditions, wages, job security, possible profit sharing, changes in status, the company's pension system, restructuring and the company's participation in other companies. The legal representative shall, at the request of the employees' council, present the state of the accounts, including consolidated accounts, reports on the state of the company's activity, reports of the supervisory board or of authorized accounting experts. This obligation may also be fulfilled by publishing this information on the company's website and informing the employees' council thereof. Otherwise, it may be required that the responses be in writing, also using electronic means of communication.

3. The workers' council may also inform itself directly about the performance of the company and examine the company's books and documents, giving opinions and suggestions to the management bodies on the issues mentioned in point 2 of this article. The legal representative shall inform the workers' council of the reasons for not accepting the opinions and suggestions of this council.

4. The statute may not prevent or restrict the exercise of the rights referred to in points 2 and 3 of this article, except in cases where an equivalent information system has been agreed between the legal representative and the works council. If the legal representative refuses to provide the information, according to points 2 and 3 of this article, the works council, within 2 weeks after the refusal, may apply to the relevant court to take a binding decision on the information.

5. The employees' council reports to the company's employees' assembly on its activities at least twice a year or whenever requested by the majority of employees.

6. The costs of selecting and operating the council are covered by the business company.

Article 21
Employee participation in the administration of joint stock companies

The legal representative of the company and the employees' council may agree that the latter appoints persons to represent the employees at the management level.

PART II
COLLECTIVE SOCIETIES

TITLE I
GENERAL PROVISIONS

Article 22
The definition

A company is a general partnership if it is registered as such, carries out commercial activity under a common name, and the liability of the partners before creditors is unlimited.

Article 23
recording

1. The general partnership is registered in accordance with articles 26, 28, 32 and 33 of Law No. 9723, dated 3.5.2007 "On the National Registration Center".

2. If the general partnership has created a website, the data reported to the Commercial Registration Center shall be published on this website and made available to interested persons.

TITLE II
RELATIONSHIPS BETWEEN PARTNERS

Article 24
Freedom of contract

The relations between partners are regulated by the statute. Articles 25 to 36 of this law apply only in the case where the statute does not provide otherwise.

Article 25
contributions

1. The partners' contribution may be in cash or in kind (movable/immovable property, rights, labor and services). The partners' contributions are equal.

2. The partners of the general partnership shall value the contributions in kind, expressing their value in money, by mutual agreement with each other. If no agreement is reached, each of the partners may apply to the relevant court to appoint, by a binding decision, an expert appraiser. The report of the partners or the expert on the valuation of the contributions shall be submitted to the National Registration Centre together with other data required for registration.

Article 26
Liability for damage caused

In fulfilling their obligations, partners are liable to the general partnership for all damages caused intentionally or through gross negligence.

Article 27
Reimbursement of expenses

All partners have the right to request reimbursement from the general partnership for expenses

they have incurred during the exercise of the partnership's commercial activity, which are necessary, taking into account the circumstances of the activity.

Article 28
Delay in payment of contributions

Partners, who:

a) do not pay the company the contribution in cash or in kind within the deadline specified in the statute;

b) they do not transfer to the company the money collected on its behalf in a timely manner;

c) receive money from the company without being authorized;

are obliged to pay interest on the amounts owed, starting from the date they should have paid the contribution, made the transfer or from the date they received the money.

Article 29
Increase or decrease the value of the contribution

1. A partner is not obliged to increase the value of his contribution above the amount agreed upon, or to increase it if this contribution has been reduced by losses.

2. A partner may not reduce the value of his contribution without the approval of the other partners.

Article 30
Disposition of parts

1. A partner may not waive, transfer or encumber the rights arising from his/her status as a partner (share) in the partnership without the consent of the other partners.

2. The rights deriving from the quality of a partner (share) in a general partnership may be transferred, without any restriction, to other partners.

Article 31
MANAGEMENT

1. All partners have the right to administer the commercial activity of the general partnership, acting as administrators.

2. If, pursuant to the statute, one or more of the partners is entrusted with the administration, the other partners are excluded from the administration.

Article 32
Administration by more than one partner

1. If the right to manage is granted to all partners or only to some of them, each of the administrators has the right to act independently, except in cases where their actions are opposed by the other administrators.

2. If the statute provides that administrators may act only jointly, then the approval of all administrators is required for every action, except in cases where delay in carrying out the action may cause harm to the company.

3. If the statute provides that an administrator is obliged to obey the instructions of another administrator, when these instructions are considered inappropriate, he shall notify the other administrators to reach a joint decision to carry out the action, except in cases where delay in carrying out the action may cause damage to the company.

Article 33
Administration object

1. The right to administration includes the performance of all actions necessary for the ordinary exercise of the company's commercial activity.

2. Actions that exceed the scope of competence mentioned in point 1 of this article require the approval of all partners.

Article 34
Transfer of administration rights

A partner, with the approval of all other partners, may transfer the rights to manage the company to a third party.

Article 35
Notification of resignation and removal of administration rights

1. The administrator may resign from his duties, for reasonable reasons, by giving prior notice, at an appropriate time, to enable the continuation of actions by the other administrators, except in cases where immediate resignation is considered justified for an important reason.

2. The right to administration may be revoked from a partner by decision of the relevant court, at the request of the other partners, if this is justified by reasonable grounds, including serious breach of the administrator's duties or inability to fulfill them in a regular manner.

Article 36
Decision-making by partners

1. If decisions are to be made by nominally designated partners, then the approval of all of them is necessary, except in cases where any of them has a conflict of interest with the matter under consideration.

2. When the statute allows for decisions to be made by majority vote, this majority must be a simple majority.

Article 37
Loss and profit

1. At the end of each financial year, the company prepares annual financial statements, which determine the profit and loss, as well as the share thereof belonging to each partner.

2. Each partner has the right to receive an equal share of the profits and is obliged to participate, equally, in covering the losses arising from the activity.

TITLE III
RELATIONSHIPS BETWEEN PARTNERS AND THIRD PARTIES

Article 38
Representation of the collective society

1. Each partner has the right to represent the company in relations with third parties, except in cases where the statute provides otherwise.

2. If the partners represent the company jointly, the statements addressed to the company may be addressed to one of the partners, with the right of representation. The administrators, who have the right to represent the company jointly, may authorize some of them to perform certain actions or certain categories of actions.

3. Any exclusion of partners from the right of representation, any decision for joint representation or any change in a partner's rights to representation shall be notified for registration at the National Registration Center.

Article 39
Notice of resignation and removal of representation rights

1. The company representative may resign from his duties, through prior notice, given at an appropriate time and taking into account the possibilities of other representatives, to continue the actions undertaken by the resigned representative.

2. A partner may be stripped of the right to representation by decision of the relevant court, at the request of the other partners, especially in cases of serious breach of the duties of representation or inability to fulfill them in a regular manner.

Article 40
Personal liability of partners

1. The partners are personally and jointly liable for the obligations of the partnership with all their assets. Any agreement, contrary to this provision, shall not produce effects towards third parties.

2. A personal creditor of a partner may enforce the debts owed to the latter by enforcing the debts owed by the partner to the company, as well as the share held by the partner in the company. The creditor may request the enforcement of the debts in accordance with Articles 581 to 588 of the Code of Civil Procedure.

Article 41
objections

If a creditor files a lawsuit against a partner for the obligations of the partnership, then the partner can defend himself by raising objections against the creditor that belong personally to the partner, as well as those that belong to the partnership.

Article 42
Responsibility of the new partner

A person who acquires the status of a partner in an existing general partnership assumes the obligations of the partnership, including the obligations that existed before he acquired this status. Any agreement contrary to this provision shall not produce effects towards third parties.

TITLE IV
THE DISSOLUTION OF COLLECTIVE SOCIETY
AND THE REMOVAL OF PARTNERS

Article 43
Causes of the breakdown of society

Collective society breaks down:

a) when the duration for which it was established expires;

b) by decision of the partners;

c) upon the opening of bankruptcy proceedings;

ç) by court decision;

d) if it has not carried out commercial activities for two years and has not notified the

suspension of activity, according to point 3 of article 43 of law no. 9723, date 3.5.2007 “On the National Registration Center”;

dh) in other cases, provided for in the statute.

Article 44
Partner's departure

Unless the statute provides otherwise, the following events do not result in the dissolution of the company, but rather in the removal of the partner:

a) death of a partner;

b) the opening of bankruptcy proceedings against a partner;

c) notification of the partner's departure from the company;

ç) notification of the partner's personal creditor in the circumstances described in Article 46 of this law;

d) decision of the other partners;

dh) other cases provided for in the statute.

Article 45
Partner's notice of departure from the company

Unless otherwise provided in the statute, if the company is established for an indefinite duration, any partner may leave the company by giving the other partners 6 months' written notice. In justified cases, a shorter notice period may apply.

Article 46
Notification from the partner's personal creditor

If the personal creditor of a partner has failed to execute his credits against the latter, based on a court decision, then, within 6 months from the request, the creditor has the right to request the company to liquidate the share owned by the partner in the company. The provisions of point 2 of article 40 of this law remain applicable in this case as well.

Article 47
Dissolution of the company by court decision

The partnership may be dissolved by court decision for reasonable causes, based on a lawsuit filed by a partner and, in particular, if one of the partners, intentionally or as a result of gross negligence, has not performed the duties specified in the statute, or if the performance of these duties has become impossible.

Article 48
Partner exclusion

In the circumstances provided for in Article 47 of this law, the court, based on a lawsuit filed by a partner, may decide to exclude the liable partner and not to decide on the dissolution of the partnership.

Article 49
Division of the departing partner's share

1. The share of each partner who leaves the general partnership shall be divided proportionally among the remaining partners, except in cases where the departure is a consequence of bankruptcy, notification of the creditor or for other cases provided for in the statute. The remaining partners are

obliged to pay to the departed partner, his creditors or heirs, in accordance with the rules of inheritance, the value that he would have received if the partnership had been dissolved at the time of his departure, taking into account also the actions still unfinished.

2. If the value of the company's assets is not sufficient to cover all its liabilities, the departing partner or his heirs, in accordance with the rules of inheritance, shall be liable for the difference, in proportion to the share of the company's losses that belong to them.

3. In the event of an exception, according to Article 48 of this law, the partners may deduct from the amount provided for in point 1 of this article the value of the potential damage that the company has suffered from the partner's non-fulfillment.

Article 50

Procedure for cases where only one partner remains

1. When, for any reason, the general partnership remains with a single partner, then he is obliged, within 6 months from the occurrence of this fact, to take the necessary measures to adapt the partnership to the requirements of this law, or alternatively to transfer its activity to a newly established partnership that accepts the existence of a single partner or to continue the exercise of the activity by registering as a trader.

2. If, within the period provided for in point 1 of this article, the remaining partner does not register one of the above actions with the National Registration Center, the general partnership shall be deemed dissolved and liquidated in accordance with the provisions of this law. Any interested person may apply to the court to determine the dissolution of the partnership.

Article 51

Continuation of the company by heirs

1. The general partnership continues to carry on its activities with the heirs of the deceased partner, if permitted in the statute and accepted by the heirs.

2. Heirs may exercise the right referred to in point 1 of this article, within 30 days from the date on which the relevant court, according to the provisions of the Code of Civil Procedure, issues the certificate of inheritance.

Article 52

Registration at the National Registration Center

All partners are obliged to notify the National Registration Center for registration, in accordance with Article 43 of Law No. 9723, dated 3.5.2007 "On the National Registration Center", of the acts, facts of dissolution and removal of partners.

If the cancellation is made by court decision, the court notifies the decision to the National Registration Center for registration, according to article 45 of law no. 9723, dated 3.5.2007 “On the National Registration Center”.

TITLE V

LIQUIDATION OF THE GENERAL PARTNERSHIP

Article 53

Liquidation of a general partnership in a state of insolvency

The dissolution of a general partnership in a state of insolvency results in the opening of liquidation proceedings, according to articles 190 to 205 of this law.

Article 54

Statute of limitations on claims against a partner

1. Except in cases where a lawsuit against a general partnership has a shorter statute of limitations, lawsuits against a partner for the obligations of the general partnership shall be filed within 3 years after its dissolution.

2. The statute of limitations begins on the date when the dissolution of the company is registered.

3. If the obligation towards the general partnership becomes enforceable after the registration of the dissolution, the limitation period begins on the date when the obligation becomes enforceable.

4. The interruption of the statute of limitations for the obligations of the general partnership also applies to persons who had the status of partner at the time of dissolution.

Article 55
Prescription in the event of a partner's departure

A partner who has left the partnership is liable for the partnership's obligations that arose before his departure, if these obligations arose before 3 years from the date of this departure. The statute of limitations begins on the date of registration of the partner's departure.

PART III
LIMITED PARTNERSHIP

Article 56
The definition

1. A limited partnership is a partnership in which the liability of at least one of the partners is limited to the value of his contribution, while the liability of the other partners is not limited. A partner whose liability is limited to the value of his contribution is called a limited partner. A partner whose liability is not limited to the value of his contribution is called an unlimited partner. An unlimited partner has the status of a partner of a general partnership.

2. Except where otherwise provided, the provisions governing the general partnership are also applicable to the limited partnership.

Article 57
recording

1. The limited partnership is registered according to articles 26, 28, 32 and 34 of Law No. 9723, dated 3.5.2007 “On the National Registration Center”.

2. If the limited partnership has created its own website, the data notified for registration to the National Registration Center shall be published on this website and made available to interested persons.

Article 58
Relationships between partners

Except where otherwise provided in the statute, the relations between partners are governed by Articles 59 to 61 of this law. The statute may provide for the prohibition of competition, pursuant to Article 17 of this law, also for limited partners.

Article 59
MANAGEMENT

1. The commercial activity of a limited partnership is managed by one or more unlimited partners. Limited partners do not perform management actions.

2. A limited partner may not object to the management actions of the unlimited partner, except in cases where he performs an action that goes beyond the ordinary activities of the company.

Article 60
Coping with losses

The limited partner bears the company's losses up to the value of his share in the capital and the value of the contributions still outstanding.

Article 61
Prohibition of legal representation

The limited partner cannot act as the legal representative of the limited partnership.

Article 62
Liability of limited partners

1. The limited partner is personally liable to the creditors of the general partnership up to the value of the unpaid contributions. The limited partner is not liable for the obligations of the partnership, in the case when he has repaid all his contributions.

2. The unregistered increase of a registered contribution produces effects on creditors only if the company has notified the creditor of this increase, or if the increase has been published in the usual manner.

3. Agreements between partners that exempt the limited partner from the obligation to repay contributions, or that postpone the deadline for repaying these contributions, do not produce effects on creditors.

4. The reduction of contributions shall not produce effects on creditors, as long as this reduction has not been registered, except in the case where the creditor was aware of this reduction. The reduction of contributions, even if registered, shall not produce effects on creditors whose obligations arose before the registration of this reduction.

5. If the partnership returns to the limited partner the contributions made, the limited partner is liable to the creditors as if the contribution had never been paid. The same principle applies in cases where the limited partner withdraws a portion of the profit and his share in the partnership becomes less than the contribution made.

6. The limited partner is not obligated to return profits received in good faith based on financial statements prepared in good faith.

Article 63
Registration of contribution changes at the National Registration Center

Partners must notify the National Registration Center for registration of all increases or decreases in the contribution of a limited partner, according to point 1 of article 43 of law no. 9723, dated 3.5.2007 “On the National Registration Center”.

Article 64
Responsibility from the perception of legal qualities

1. A limited partner is liable as an unlimited partner if his name is included, with his consent, in the registered name of the company.

2. A limited partner who has entered into an agreement with a third party in the capacity of an authorized agent of the company, but without being considered as such, is liable for this action as if he were an unlimited partner, except in the case where he proves that the third party was aware of the fact that the partner was acting as an authorized agent or based on clear circumstances, he could not have been unaware.

3. A limited partner is liable for the obligations of the company as if he were an unlimited partner, if he acts contrary to the provisions of the second sentence of paragraph 1 of Article 59 of this law.

Article 65
Responsibility before registration

When the founders of a limited partnership assume obligations for the commercial activity of the partnership, before the partnership is registered with the National Registration Center, the limited partner who agrees to assume these obligations shall be liable as if he were an unlimited partner, except in the case where he proves that the third party was aware of the limitations of his liability, or based on clear circumstances, he could not have been unaware.

Article 66
Liability of a new limited partner

A limited partner who acquires this capacity in an existing limited partnership is liable, according to the provisions of Article 62 of this law, for the obligations of the partnership that arose before acquiring this capacity.

Article 67
Removal of partners

1. A limited partnership shall not be dissolved due to the death or dissolution of one or more of the limited partners.

2. If all unlimited partners leave the partnership, then the general partnership is dissolved and liquidated according to the provisions of this law.

3. If all limited partners leave, then the commercial activity of the limited partnership may continue to be carried out in the form of a general partnership or, if only one unlimited partner remains, the activity may be carried out with the status of a merchant.

4. The changes mentioned in points 1 and 3 of this article must be notified for registration to the National Registration Center.

5. The dissolution of a limited partnership in a state of solvency results in the opening of liquidation procedures, according to articles 190 to 205 of this law.

PART IV
LIMITED LIABILITY COMPANIES

TITLE I
GENERAL PROVISIONS

Article 68
The definition

1. A limited liability company is a commercial company established by natural or legal persons who are not liable for the obligations of the commercial company and personally cover the company's losses up to the unpaid part of the subscribed contributions. The partners' contributions constitute the registered capital of the limited liability company.

2. Each partner enjoys his quota in the company, in proportion to the contribution he has made to the capital. The registered capital of the company is divided among the partners in quotas, according to this ratio.

3. Limited liability companies may not offer their shares as investment vehicles to the general public.

4. Except in cases where this law provides otherwise, the relations between partners may be determined in the company's statute.

5. The partners' contribution may be in cash or in kind (movable/immovable property or rights). The statute determines the methods of payment of contributions.

6. The partners of a limited liability company shall value the contributions in kind in mutual agreement with each other and express their values in money. If an agreement cannot be reached, each of the partners may apply to the relevant court to charge an expert appraiser with a binding decision. The report of the partners or the expert on the valuation of the contributions shall be submitted to the National Registration Centre, together with other data required for registration.

Article 69
recording

1. The limited liability company is registered according to articles 26, 28, 32 and 35 of Law No. 9723, dated 3.5.2007 “On the National Registration Center”.

2. If the commercial company has created its own website, the data notified to the National Registration Center are published on this website and made available to interested persons.

Article 70
Minimum capital

A limited liability company cannot have a capital of less than 100 lek.

Article 71
Single-member partnership

1. If the company remains with one partner, then the sole partner is obliged to register this fact, according to Article 43 of Law No. 9723, dated 3.5.2007. If the remaining partner does not fulfill this obligation, then he is personally liable for the obligations that the company has undertaken.

2. From the moment of registration of the change, according to point 1 of this article, the commercial company continues as a limited liability company with a single partner.

TITLE II
QUOTAS AND QUOTA TRANSFER

Article 72
Quota ownership

1. The quota of a limited liability company may be owned by one or more persons.

2. In the event that a share of the company's capital is owned by more than one person, in relations with the company these persons shall be treated as a partner and their rights shall be exercised through a common representative. These persons shall be personally and jointly liable for

the obligations arising from the ownership of the share.

3. The persons who own a share in the capital of a limited liability company shall agree among themselves on the division of the rights and obligations arising from this share. These rights and obligations may be divided equally or not.

4. The actions of the company towards a share owned by more than one person create consequences for all its owners even if the action of the company is directed at only one of the owners.

5. A commercial company may issue a certificate to prove ownership of a share of capital. This certificate shall be issued in the name of the person or persons who own the share and shall not constitute a security.

6. If the persons owning a quota do not reach an agreement, according to point 3 of this article, then the provisions of the Civil Code on co-ownership shall apply.

Article 73
Ways to earn and pass quotas

1. The capital shares of a limited liability company and the rights deriving from them may be acquired or transferred through:

a) contribution to the company's capital;

b) buying and selling;

c) inheritance;

d) donation;

d) any other manner provided by law.

2. In the case of transfer of quotas by contract, the contract must be made in writing.

3. The statute may condition the transfer of shares, in particular by stipulating the approval of the company or the right of pre-emption in favor of the company or other partners.

Article 74
Consequences of exceeding quotas

1. The person who transfers the quota and the person who acquires it are jointly and severally liable to the company for the obligations arising from the ownership of the quota, from the moment of the transfer of the quotas until the moment of registration of the transfer, according to point 2 of this article.

2. The company registers the transfer of quota, according to Article 43 of Law No. 9723, dated 3.5.2007 “On the National Registration Center”. The registration of the transfer of quotas has a declarative effect.

Article 75
Quota division and transfer

1. Except in cases where this is prohibited by the statute, quotas may be divided due to their passage.

2. The provisions of Article 73 of this law on the transfer of quotas shall also apply to the transfer of parts of quotas.

TITLE III
RELATIONSHIPS BETWEEN THE COMPANY AND THE PARTNERS

Article 76
Distribution of profits

1. Except where otherwise provided in the statute, partners have the right to share the share of the profit declared in the company's financial statements.

2. Except in cases where otherwise provided in the statute, the profit is distributed to the partners in proportion to the shares owned.

Article 77
Distribution restrictions, solvency certificate

1. The company may distribute profits to partners only if, after paying the dividend:

a) the company's assets fully cover its liabilities;

b) the company has sufficient liquid assets to settle liabilities that become due within the next 12 months.

2. The administrators shall issue a solvency certificate, which expressly confirms that the proposed distribution of dividends meets the requirements of paragraph 1 of this article, whereas when the company's situation indicates that the proposed distribution of dividends does not meet these criteria, the administrators may not issue this certificate.

3. Administrators are responsible to the company for the authenticity of the solvency certificate.

Article 78
Personal liability for prohibited distributions

1. Administrators who, through negligence, issue an incorrect solvency certificate, pursuant to point 2 of Article 77 of this law, shall be personally liable to the company for the return of distributed dividends.

2. Partners who have received dividends from the company are personally liable to the company for the return of dividends distributed to them when a solvency certificate has not been issued, or when, despite the issuance of the certificate, these partners were aware of the company's insolvency, pursuant to point 1 of Article 77 of this law, or based on clear circumstances they could not have been unaware of this situation.

Article 79
Reinstatement of prohibited distributions

1. Company lawsuits, as provided for in Article 78 of this law, may also be filed pursuant to point 3 of Article 10 of this law.

2. The statute of limitations for claims, according to point 1 of this article, begins on the date when the prohibited distribution was carried out.

Article 80
Cancellation of quotas by the company

1. The statute may provide for the right of the company to cancel a quota. In such cases, the statute must provide for the reasons and procedures for the cancellation and liquidation of the quota.

2. The quota may be canceled in any case with the approval of the relevant partner, except when otherwise provided by the statute.

3. The rights and obligations that derive from the ownership of the quota are extinguished upon its cancellation.

TITLE IV
SOCIETY BODIES

CHAPTER I
GENERAL ASSEMBLY

Article 81
Rights and obligations

1. The general assembly is responsible for making decisions for the company on the following matters:

a) determining the company's commercial policies;

b) amendments to the statute;

c) appointment and dismissal of administrators;

ç) the appointment and dismissal of liquidators and authorized accounting experts;

d) determining the rewards for the persons mentioned in letters "c" and "ç" of this point;

dh) supervising the implementation of commercial policies by administrators, including the preparation of annual financial statements and activity performance reports;

e) approval of annual financial statements and activity progress reports;

ë) increase and decrease of capital;

f) division of quotas and their cancellation;

g) representing the company in court and in other proceedings against administrators;

gj) reorganization and dissolution of the company;

h) approval of the procedural rules of the assembly meetings;

i) other matters provided for by law or statute.

2. The general assembly makes decisions on the issues specified in letters "e" and "ë" of point 1 of this article, after receiving and reviewing the relevant documents.

3. If the company is owned by a single partner, the rights and obligations of the general assembly are exercised by the sole partner. All decisions taken by the sole partner are recorded in a register of decisions, the data of which cannot be changed or deleted. In particular, but not limited to, decisions on:

a) approval of annual financial statements and activity progress reports;

b) distribution of annual profits and coverage of losses;

c) investments;

ç) decisions on the reorganization and dissolution of the company.

Decisions not registered in the register of decisions are absolutely invalid. The company cannot object to the invalidity of a third party who has acquired rights in good faith, unless the company proves that the third party was aware of the invalidity, or based on clear circumstances could not have been unaware of it.

Article 82
Meeting of the general assembly

1. The general assembly shall be convened in the cases specified by this law, by other laws or by the provisions of the statute and whenever the meeting is necessary to protect the interests of the company. The ordinary meeting of the general assembly shall be convened at least once a year.

2. The general assembly is convened by the administrators or partners determined under Article 84 of this law.

3. The general assembly is called if, according to the annual balance sheet or interim financial reports, it results or there is a risk that the company's assets will not cover the liabilities due within the next 3 months.

4. The general assembly is convened when the company proposes to sell or otherwise dispose of assets that have a value higher than 5 percent of the company's assets, resulting from the latest certified financial statements.

5. The general assembly is called when the company, within the first 2 years after its registration, proposes to purchase from a partner assets that have a value higher than 5 percent of the company's assets, resulting from the latest certified financial statements.

6. In the cases provided for in points 3 and 5 of this article, a report by an authorized, independent accounting expert shall be presented to the general assembly.

7. The provisions of paragraph 6 of this article shall not apply if the purchases, according to

paragraphs 4 and 5 of this article, are carried out on the stock exchange or are part of the daily operations of the company and are made under normal market conditions. Also, these provisions shall not apply in the case where the company is owned by a single partner.

8. In the cases provided for in points 3 to 5 of this article, the general assembly may adopt an advisory resolution, approving or making observations on the activities of the administrators.

Article 83
Call method

1. The general assembly is convened by a written notice or, if provided for by the statute, by notification via electronic mail. The written notice or electronic message must contain the place, date, time of the meeting and the agenda and be sent to all partners, no later than 7 days before the date set for the assembly meeting.

2. When the general assembly is not convened according to paragraph 1 of this article, it may make valid decisions only if all partners agree to make decisions, despite the irregularity.

Article 84
Request from minority partners

1. Shareholders representing at least 5 percent of the total votes in the general assembly of the company, or a smaller part provided for in the statute, may address a written request to the administrators, including by e-mail, to convene the general assembly and/or to include special issues on the agenda. The request must contain the reasons, objectives and issues on which the assembly must take a decision. If the request is rejected, these shareholders have the right to convene the assembly and determine the issues on the agenda, in accordance with point 1 of Article 83 of this Law.

2. If, contrary to point 1 of this article, the general assembly is not convened, or the issue requested by them is not included in the agenda, each of the partners who made the request has the right:

a) file a lawsuit in court, to declare a breach of the duty of loyalty, if the administrators do not comply with the partners' requests within 15 days;

b) request the company to purchase the shares owned by them.

3. In cases where the agenda is changed, according to the provisions of points 1 and 2 of this article and the call has been notified to the partners, the administrators shall again notify the changed agenda, in accordance with the provisions of point 1 of article 83 of this law.

4. The authorized representative is obliged to declare any fact or circumstance that, in the judgment of the represented partner, risks influencing the decision-making of the representative for interests other than those of the represented partner.

Article 85
Representation in the assembly

1. A partner may be represented at the general assembly, based on an authorization from another partner or a third person.

2. The company's administrators may not act as representatives of the partners in the general assembly.

3. Authorization may be granted only for one general assembly meeting, which also includes subsequent meetings with the same agenda.

Article 86
Quorum

1. In the case of taking decisions requiring a simple majority, the general assembly may take valid decisions only if the shareholders with voting rights, who hold more than 30 percent of the shares, participate. In the case where the general assembly must decide on issues requiring a qualified

majority, according to Article 87 of this Law, it may take valid decisions only if the shareholders holding more than half of the total number of votes are present in person, vote in writing, or by electronic means, according to the provisions of point 3 of Article 88 of this Law.

2. If the general assembly cannot be convened due to the lack of the quorum referred to in point 1 of this article, the assembly shall convene again no later than 30 days, with the same agenda.

Article 87
Decision making

1. Except in cases where the statute provides for a higher majority, the general assembly decides with three-quarters of the votes of the participating partners, as defined in point 1 of Article 86 of this law, on the amendment of the statute, the increase or decrease of the registered capital, the distribution of profits, the reorganization and dissolution of the company.

2. Except in cases where otherwise provided in this law or in the statute, on other issues listed in Article 81 of this law, the general assembly decides by a majority vote of the participating partners.

3. Except as otherwise provided in this law, the validity of decisions that impose additional obligations on partners, or decisions that limit their rights, provided for in this law or in the statute, is conditional on the approval of the relevant partner.

Article 88
The right to vote

1. Except as otherwise provided in the statute, each quota entitles the holder to one vote.

2. The statute may provide for the partners who are not present, the possibility of participating in the general assembly meeting by various means of communication, including electronic means, provided that the identification of the partners is guaranteed.

3. Electronic means include, but are not limited to:

a) broadcasting the general assembly meeting in real time;

b) real-time mutual communication, which allows partners to express their views on the general assembly meeting from another location;

c) mechanisms that enable the voting process, before or during the general assembly meeting, without the need to appoint an authorized representative to physically participate in the meeting.

4. The use of electronic means to enable partners to participate in the general assembly meeting is made on the condition that the necessary technical measures are taken to guarantee the identification of partners and the security of electronic communications, to the extent that this use is proportionate to the achievement of these purposes.

5. The partners have the right, recognized by this law or the statute, to unanimously make any decision, provided that this agreement is made in writing.

Article 89
Exclusion from the right to vote

1. The partner may not exercise the right to vote if the general assembly decides to:

a) evaluation of its activity;

b) the discharge of any obligation incumbent upon him;

c) the filing of a lawsuit against him by the company;

ç) granting or not granting new benefits.

2. When a partner is represented by an authorized representative, the authorized representative is considered to be in the same conflict of interest as the partner he represents.

Article 90
Assembly meeting minutes

1. All decisions of the general assembly must be recorded in the minutes. The administrators are responsible for keeping copies of the minutes of the general assembly meetings.

2. The minutes must contain the date and place of the meeting, the agenda, the name of the chairman and the minute taker, and the voting results.

3. The list of participants, as well as the act of convening the general assembly, is attached to the minutes.

4. The minutes of the meeting are signed by the chairman and the minutes keeper.

5. If the company has published a website, the administrators, no later than 15 days from the date of the meeting, are obliged to publish a copy of the minutes of the general assembly meeting on this website.

Article 91
Special investigations

1. The general assembly may decide to launch a special investigation into irregularities during the company's establishment or the exercise of commercial activity. The investigation shall be conducted by an independent expert in the field.

2. Partners representing at least 5 percent of the total votes in the company's assembly, or a smaller value provided for in the statute and/or any creditor of the company may request the general assembly to appoint an independent expert in the field, when there are well-founded suspicions of a violation of the law or the statute. Partners or creditors of the company defined above, within 30 days after the assembly's refusal to appoint an independent expert, may request the court to appoint this expert. If the general assembly does not take a decision within 60 days from the date of submission of the request, the partners' request shall be deemed rejected.

3. When the general assembly has appointed an expert in the field to conduct a special investigation and when there are reasonable grounds for believing that the expert may not conduct the special investigation properly, the partners or creditors referred to in paragraph 2 of this article may request the court to replace him.

4. When the court accepts the requests mentioned in points 2 and 3 of this article, the commercial company shall bear the costs of appointing and rewarding the expert appointed to conduct the special investigation.

5. The right to request a special investigation, according to points 1 and 2 of this article, must be exercised within 3 years from the date of registration of the commercial company, when the investigation has as its object irregularities in the establishment process, as well as within 3 years from the date of the action, which is considered irregular, when the investigation has as its object irregularities in the exercise of commercial activity.

6. The creditor who files a claim in bad faith, pursuant to point 2 of this article, shall be liable in accordance with Article 34 of the Code of Civil Procedure.

Article 92
Annulment of irregular decisions and compensation

1. The general assembly has the right to request the relevant court to annul the decisions of the administrators, when these constitute a serious violation of the law or the statute.

2. The partners, who represent at least 5 percent of the total votes in the company assembly, or a smaller value provided for in the statute, or any of the creditors of the company may request the general assembly to file a lawsuit as above. The partners or creditors of the company defined above, within 30 days after the assembly's refusal to file a lawsuit, have the right to file a lawsuit directly

before the competent court for the annulment of the administrators' decision. If the general assembly does not take a decision within 60 days from the date of the request, the request of the partners or creditors is considered rejected.

3. In cases where the company files a lawsuit as above, it participates in the trial through a special representative, appointed by the general assembly.

4. The partners or creditors referred to in paragraph 2 of this Article may request the court to replace the special representative, when there are reasonable grounds to believe that the representative appointed by the general meeting may not be able to bring and prosecute the lawsuit in the best interest of the company. If the court accepts this request, the costs of appointing and remunerating the representative shall be borne by the company.

5. The court shall declare the decision of the administrators invalid if they do not reach an agreement with the special representative to correct the consequences of the decision within 30 days from the date of appointment of this representative. The rights of third parties shall remain unaffected, in accordance with point 3 of Article 12 of this Law.

6. The minority partners and creditors defined above have the rights provided for in points 2 and 4 of this article, even in the case where the general assembly does not make a decision, or refuses to decide on their request to file a lawsuit against the administrators, with the aim of compensating for the damage suffered by the company, as an illegal decision, or to file other lawsuits provided for by this law or the statute against the administrators or partners.

7. The provision of paragraph six of Article 91 of this law also applies to these lawsuits.

Article 93
Rights related to quota

A partner who is prevented from exercising the rights arising from the ownership of a share in the company has the right to request the court to order the prohibition of the infringement or compensation for the damage caused as a result of the infringement of these rights. This right shall be prescribed within 3 years from the moment of the infringement.

Article 94
Prohibition of restrictions

1. The provisions of the statute that limit or exclude any of the rights of the partners or creditors, according to the definitions made in articles 91, 92 and 93 of this law, as well as the provisions that provide for general restrictions on the actions defined in these articles, are invalid.

2. The decisions of the general assembly may not infringe the right of the partners or creditors to carry out the actions provided for in articles 91, 92 and 93 of this law.

CHAPTER II
ADMINISTRATORS

Article 95
Appointment, dismissal, rights and obligations

1. The general assembly appoints one or more natural persons as administrators of the company. The term of appointment, which is set in the statute, may not exceed 5 years, with the right of renewal. The appointment of administrators takes effect upon registration with the National Registration Center. The statute may establish special rules for the appointment of administrators.

2. The administrators of a parent company, as defined in Article 207 of this Law, may not be appointed as administrators of a controlled company and vice versa. Any appointment made in violation of these provisions is invalid.

3. Administrators have the right and are obliged to:

a) carry out all administrative actions of the company's commercial activity, implementing the commercial policies established by the general assembly;

b) represent the commercial company;

c) ensure the accurate and regular maintenance of the company's documents and accounting books;

ç) prepare and sign the annual balance sheet, the consolidated balance sheet and the activity progress report and, together with the proposals for the distribution of profits, present these documents to the general assembly for approval;

d) create a timely warning system for circumstances that threaten the smooth running of the company's activities and existence;

dh) carry out registrations and submit mandatory company data, as provided for in the law on the National Registration Center;

e) report to the general assembly regarding the implementation of commercial policies and the implementation of special actions of particular importance for the activity of the commercial company;

ë) perform other duties specified in the law and the statute.

4. In the cases provided for in points 3 and 5 of Article 82 of this law, the administrators are obliged to convene the general assembly.

5. If the general assembly appoints more than one administrator, they shall administer the company jointly. The statute or other regulations, approved by the general assembly, may provide otherwise.

6. The general assembly may dismiss the administrator at any time by a simple majority. The statute or other agreements may not exclude or limit this right. Claims related to the administrator's remuneration, based on contractual relations with the company, are regulated according to the legal provisions in force.

Article 96
representation

1. Restrictions on the representation rights of administrators are directed towards third parties, in accordance with the provisions of Article 12 of this law.

2. The administrators, who jointly represent the company, may authorize some of them to perform certain actions or to perform certain categories of actions. Notifications addressed to each of the administrators are valid and binding on the company.

3. The names of the administrators' representatives and any changes thereto are notified for registration at the National Registration Center.

Article 97
remuneration

1. The basic remuneration of administrators may be supplemented by a percentage of profit or similar. The remuneration of administrators is determined by ordinary decision of the general assembly.

2. The remuneration, according to point 1 of this article, must be appropriate and in accordance with the duties of the administrators and the financial situation of the company.

3. If the company is in financial difficulties, the general assembly may decide to reduce the remuneration of the administrators to the appropriate extent.

4. The remuneration criteria, individual remuneration and the annual effect of the remuneration of administrators on the cost structure of the company are published together with the annual financial statements.

Article 98
Duty of loyalty and responsibility

1. In addition to what is provided for in the general provisions of the duty of loyalty, pursuant to Articles 14, 15, 17 and 18 of this law, administrators are obliged to:

a) to carry out their duties as defined by law or statute in good faith and in the best interest of the company as a whole, paying particular attention to the impact of the company's activities on the environment;

b) exercise the powers granted to them by law or statute only for the achievement of the purposes set forth in these provisions;

c) to responsibly assess the issues on which decisions are made;

ç) to prevent and eliminate cases of conflict, present or potential, of personal interests with those of the company;

d) to guarantee the approval of agreements according to the provisions of point 3 of Article 13 of this law;

dh) to exercise their duties with the necessary professionalism and care.

2. Administrators, in the performance of their duties, are liable to the company for any action or omission that is reasonably related to the purposes of the commercial company, except in cases where, based on the investigation and evaluation of relevant information, the action or omission was performed in good faith.

3. If administrators act contrary to their duties and violate professional standards, according to points 1 and 2 of this article, they are obliged to compensate the company for the damages resulting from the commission of the violation, as well as to pass on any personal profit that they or persons related to them have realized from these irregular actions. Administrators have the burden of proof to prove the performance of their duties in a regular manner and according to the required standards. When the violation is committed by more than one administrator, they are jointly and severally liable to the company.

4. In particular, but not limited to, administrators are obliged to compensate the company for damages caused if, in violation of the provisions of this law, they carry out the following actions:

a) return contributions to partners;

b) pay interest or dividends to partners;

c) distribute assets to the company;

ç) allow the company to continue its commercial activity when, based on its financial situation, it should have been foreseen that the company would not have the solvency to settle its obligations;

d) provide loans.

5. The provisions of point 6 of Article 92 of this Law shall also apply to lawsuits arising from the paragraphs of this Article. These lawsuits must be filed within 3 years from the commission of the violation or its discovery.

TITLE V
DISSOLUTION OF THE COMPANY, REMOVAL AND EXCLUSION OF PARTNERS

CHAPTER I
THE DESTRUCTION OF SOCIETY

Article 99
Causes of the breakdown of society

A limited liability company is dissolved:

a) when the duration foreseen in its establishment expires;

b) by decision of the general assembly;

c) upon the opening of bankruptcy proceedings;

ç) if it has not carried out commercial activity for two years and the suspension of activity has not been notified in accordance with point 3 of article 43 of law no. 9723, dated 3.5.2007 “On the National Registration Center”;

d) by court decision;

dh) for other reasons provided for in the statute.

Article 100
Registration of dissolution

The administrators register the dissolution of the company with the National Registration Center, in accordance with Article 43 of Law No. 9723, dated 3.5.2007 “On the National Registration Center”. If the dissolution of the company is made by court decision, the court, in accordance with Article 45 of Law No. 9723, dated 3.5.2007 “On the National Registration Center”, notifies the decision to the National Registration Center for registration.

CHAPTER II

REMOVAL AND EXCLUSION OF PARTNERS

Article 101
's departure for reasonable reasons

1. A partner may leave the partnership if the other partners or the partnership have committed acts to his detriment, if he has been prevented from exercising his rights, if the partnership has imposed unreasonable obligations on him or her, or for other reasons that make the continuation of the partnership impossible.

2. The partner requesting removal must notify the partnership in writing, as well as state the reasons for the removal.

3. The administrators must call a general assembly meeting immediately after receiving notice of the departure, according to point 2 of this article, to decide whether the partner's quota will be liquidated as a result of the departure for reasonable reasons.

4. The partner has the right to file a lawsuit in court against the company for the liquidation of the quota, as a result of the dismissal for reasonable reasons, if after the notification of the dismissal the general assembly does not convene or does not recognize the reasons for the dismissal and the liquidation of the quota as reasonable.

5. The partner who requests dismissal from the partnership is obliged to compensate the partnership for the damages caused, if it turns out that the dismissal was carried out based on unreasonable reasons.

6. The departing partner has the right to file a lawsuit against the company and/or other partners who caused his departure and to demand from them, jointly and severally, compensation for the damage suffered.

Article 102
Partner exclusion

1. Based on an ordinary decision, the general assembly may request the court to expel a partner if he has not repaid his contribution, according to the provisions of the statute or if there are other reasonable grounds for this expulsion.

2. Reasonable grounds for the exclusion of a partner, according to point 1 of this article, are considered, but not limited to, cases where the partner:

a) intentionally or through gross negligence causes damage to the company or other partners;

b) intentionally or with gross negligence violates the statute or obligations determined by law;

c) engages in actions that make it impossible for the relationship between the business company and the partner to continue; or

ç) by his actions he significantly damages or hinders the company's commercial activity.

3. During the procedure for the exclusion of a partner, at the request of the plaintiff, the court may take a measure to secure the claim, by suspending the voting rights of the partner who is requested to be excluded, as well as other rights deriving from the ownership of the company's quota,

when it assesses this measure as necessary and justified.

4. The company has the right to demand compensation from the excluded partner for the damage suffered from the actions that led to the exclusion.

5. The partner has the right to request compensation from the company for the damage suffered, if the request for exclusion is not grounded.

6. A partner does not have the right to request the company to liquidate his quota if he is excluded for reasonable reasons, but if the company files a lawsuit against him for damages, the partner has the right to offset any amount that he would be entitled to receive in the capacity of liquidating his quota with the damages requested by the company.

Article 103
Consequences of removal and expulsion

1. All rights deriving from the status of partner in the company shall cease on the date of dismissal or the final court decision on dismissal or exclusion.

2. The statute cannot exclude or limit the right of a partner to leave the company and the right of the company to expel a partner.

Article 104
Liquidation in a state of solvency

Except in cases where bankruptcy proceedings have been initiated, the dissolution of a limited liability company shall result in the opening of liquidation proceedings in a state of solvency, in accordance with Articles 190 to 205 of this law.

PART V
JOINT STOCK COMPANIES

TITLE I
GENERAL PROVISIONS AND ESTABLISHMENT

Article 105
Definition and types

1. A joint stock company is a commercial company, the capital of which is divided into shares subscribed by the founders. The founders are natural or legal persons who are not personally liable for the company's obligations and who cover its losses only with the unpaid value of the subscribed shares.

2. Joint stock companies may be public, private or publicly traded companies, in accordance with the provisions of the securities law.

Article 106
recording

1. Joint stock companies are registered according to articles 26, 28, 32 and 36 of Law No. 9723, dated 3.5.2007 “On the National Registration Center”.

2. If the company creates its own website, the data, which are registered with the National Registration Center, are published on this website and made available to interested persons.

Article 107
Minimum capital

1. Society STOCK with offer private there can't be one capital less than 2 000 000 lek.

2. Society STOCK with supply PUBLIC NOT can THE this A cAPITAL MORE THE SmAll that 10,000,000 lek.

Article 108

Types of contributions

Shareholders' contributions may be in cash or in kind (movable or immovable property or rights valued in cash). Shareholders' contributions may not be in labor or services.

Article 109

Nominal value and issue of shares

1. Each share has the same nominal value.

2. Shares may not be issued before the company is registered with the National Registration Center. Shares issued before that date are invalid. The founders are jointly and severally liable for damages caused to the shareholders by premature issuance.

3. The rights attached to the shares cannot be transferred before the company is registered with the National Registration Center.

Article 110

Value of issued shares

1. The total nominal value of the issued shares cannot be less than the registered capital of the company. Consequently, the company cannot issue and offer for subscription shares at a price below their nominal value.

2. The company may issue and offer for subscription shares at a price higher than their nominal value.

Article 111

Establishment costs

1. The founders may request the company to reimburse the costs of establishment, up to the highest value provided for in the statute.

2. The costs of establishment shall be paid to the founders from the profits made by the company. Unless otherwise provided in the statute, the shareholders may decide that the reimbursement of the costs of establishment shall have priority over the distribution of profits.

Article 112

Contributions in kind

1. When shareholders make contributions in kind, these contributions must be valued before the company is registered by one or more experts appointed by the relevant court. These experts are natural or legal persons, licensed under special provisions, with the technical competence necessary to carry out these valuations.

2. The expert valuation report must contain a detailed description of the contributions in kind, as well as specify the valuation methods that have been applied and state whether the value calculated, according to this method, corresponds at least to the nominal value of the share and, where applicable, to the highest share issue premium.

3. The assets, quotas or shares of an existing company may be given as a contribution to a joint-stock company only if the company making the contribution has been registered for at least 2 years. In this case, together with the report referred to in point 2 of this article, the financial statements

of the last two years of the company in question, as well as the documents for its valuation, shall be submitted.

4. The evaluation report, mentioned in the preceding paragraphs of this article and, where applicable, other documents, shall be submitted to the National Registration Center together with the application for registration.

5. The above provisions also apply when the company, within 2 years after its establishment, purchases assets or rights from one of the founders.

Article 113

Payment and transfer of contributions before registration

1. Shares subscribed for in cash must be paid up before the company is registered, at least one quarter of their nominal value. The remaining amounts shall be paid up in one or more installments, as decided by the company's management bodies. The higher amounts, according to point 2 of Article 110 of this Law, must be paid up in full.

2. Shares subscribed for with in-kind contributions must be fully paid up prior to registration.

3. Founders who do not repay or transfer their contributions within the deadlines set out above shall be liable to the company, in accordance with the provisions of articles 10, points 2 and 3, and 124 of this law.

Article 114

Special provisions for companies with a single shareholder

1. If, prior to the registration of the company with the National Registration Center, the sole founder has not fully paid or transferred his contributions in cash or in kind, then he must guarantee the repayment of the contribution, through a bank guarantee, of the same value as the signed contribution with a validity period of no more than one year and submit this to the National Registration Center together with the application for registration. If, at the end of the one-year period of the bank guarantee, the shareholder does not declare to the bank the full repayment of the contribution provided for in the statute, the amount of the bank guarantee is automatically transferred to the company's account for the repayment of the capital.

2. When the number of shareholders falls to one, the sole shareholder must notify the National Registration Center of the reduction in the number of shareholders, as well as his name. If the sole shareholder fails to fulfill this obligation, he shall be personally liable, without limitation, for the obligations that the company has already undertaken.

Article 115

Establishment procedure

1. Joint stock companies, after the approval of the statute by the founders, are established in accordance with the provisions of Article 106 of this law. The statute shall determine the first administrators and the first members of the board of directors or the supervisory board. The term of office of these persons shall end on the date of the first general meeting.

2. Cash contributions, according to point 1 of article 113 of this law, shall be paid into a bank account, determined according to the provisions of the statute. The company, together with the application for registration, shall deposit with the National Registration Center the bank document, which certifies the payment of the cash contribution.

3. The company representative may withdraw funds collected from cash contributions only after the company has been registered with the National Registration Center.

TITLE II

SHARES

Article 116
Types and categories of shares

1. Shares may be ordinary or preference shares. Ordinary shares entitle their holders to exercise shareholder rights at the general meeting and to receive a share of the profits and distribution of assets remaining after liquidation, in proportion to the share of capital that their shares represent. Preference shares entitle their holders to receive a certain amount or a certain percentage of the nominal value of their shares from the distribution of dividends decided by the general meeting, before the distribution of profits, in favor of ordinary shareholders, priority in the distribution of the company's assets remaining after liquidation and other rights specified by law or in the statute.

2. The mention in the statute of the advantages deriving from the ownership of these shares is presumed to be exhaustive.

3. Shares that confer the same rights constitute shares of the same category (common shares, preference shares, voting shares and non-voting shares).

Article 117
Ways to acquire and transfer shares

1. The shares of a joint-stock company and the rights deriving from them may be acquired or transferred through:

a) the contribution to the company's capital, at the time of the company's formation;

b) buying and selling;

c) inheritance;

d) donation;

d) any other manner provided by law.

2. The shares and rights acquired as above may not be exercised against any person or against the company before the action has been registered in the special register of shares maintained by the company, in accordance with point 1 of Article 119 of this law.

Article 118
Share issuance act

1. The act of issuing shares is drafted at the time of the initial issuance of shares and contains the data specified in Article 36 of Law No. 9723, dated 3.5.2007 “On the National Registration Center”.

2. In the case of a private or public offering of shares, the act of issuing shares must also follow the procedures set forth in the securities law.

3. The company issues the share certificate at the expense of the shareholder who requests it. The decision to issue the certificate is taken by the founders or by the assembly.

Article 119
Share registration

1. Joint stock companies maintain a special register, where the data of the shareholders of the company are recorded, such as: the shareholder's name and surname, or registered name, if it is a legal entity, the nominal value of the share, the shareholder's residential address or head office, and the date of registration.

2. Persons registered under point 1 of this article are presumed to be shareholders of the company with full rights both in relations with the company and towards third parties.

3. The administrators are responsible for maintaining the company's share register and are

obliged to allow access to the register information to any shareholder or any other person who requests it. The share register information must be published on the company's website. The company may allow the on-line registration of data that must be registered according to point 1 of this article.

4. The provisions of sections IV, VII and VIII of chapter III of the special part of the Criminal Code shall apply to irregularities in the issuance of shares, as well as to irregularities in the recording and maintenance of the share register.

5. The provisions of points 1, 2 and 3 of this article do not affect the company's obligation to notify the list of shareholders, in accordance with point 4 of article 43 of law no. 9723, dated 3.5.2007 "On the National Registration Center" and the obligation to register shares, in accordance with the provisions of the law on securities.

Article 120
Conditions for the transfer of shares

The statute may provide that the transfer of shares be conditioned by the consent of the company's management bodies and/or by the right of pre-emption, in favor of other shareholders.

Article 121
Joint ownership of shares

1. A share of a company may be owned by one or more persons. Persons who jointly own a share, in relation to the company, exercise the rights of a shareholder through a common representative.

2. Persons who jointly own a share are jointly and severally liable for the obligations arising from the ownership of the share.

3. The persons who own a share shall agree among themselves on the division of the rights and obligations arising from this share. These rights and obligations may be divided equally or not.

4. The actions of the company towards a share owned by more than one person create consequences for all its owners, even if the company's action is directed at only one of the owners.

5. The provisions of the Civil Code on co-ownership are applicable unless otherwise provided for in the agreement concluded, in accordance with point 3 of this article.

Article 122
Voting rights

1. Each ordinary share grants its holder voting rights in proportion to the share of capital represented by the share.

2. Preference shares may be issued without voting rights. In this case, the preference shares may not represent more than 49 percent of the company's registered capital.

3. The issuance of shares that give their holder more voting rights in proportion to the share of capital that the share represents is prohibited.

TITLE III
LEGAL RELATIONSHIPS BETWEEN THE COMPANY AND SHAREHOLDERS

Article 123
Obligation to pay contributions

Shareholders pay the nominal value of the share or the highest issue price into the company's account and transfer the contribution in kind, in accordance with the specifics of the contribution itself or with the methods provided for in the statute. The provisions of articles 112 and 113 of this law also apply to the obligations of the founders.

Article 124
Consequences of late repayment

1. The shareholder shall be obliged to pay to the company default interest of 4 percent per annum on the outstanding amount of the cash contribution, starting from the date on which the obligation becomes due under this law or the statute. The company may claim additional compensation caused by the delay in the payment of the cash contribution. The statute may provide for further payments if this obligation is not fulfilled on time.

2. The company may set a 30-day deadline for the repayment of contributions for shareholders who have not made the payment within the deadlines provided for in this law or in the statute. If these shareholders do not fulfill the obligation to repay the contribution within this deadline, then they lose the right to participate in the general assembly and the shares owned by them are not taken into account in calculating the quorum. The right to receive dividends, as well as any other rights related to the share, is suspended.

3. If the shareholder does not repay the contributions in cash, within 3 months from the end of the period specified in point 2 of this article, the company may reduce the capital by the value of the unpaid contribution and cancel the share, according to Article 186 of this law.

Article 125
Prohibition of forgiveness of contribution obligations

1. The company may not waive the obligation to repay contributions in cash or transfer contributions in kind signed by shareholders, as well as other obligations arising from the failure to fulfill the obligation to repay or transfer the contribution.

2. Shareholders may not offset the rights they may have against the company with the obligation to repay or transfer the subscribed contribution, nor may they make a contribution to the company that is burdened with an encumbrance.

3. The company may release shareholders from the obligation to repay contributions in cash or to transfer contributions in kind only through the ordinary reduction of capital, in accordance with Articles 181, 182, 183 and 184 of this law, in proportion to the value by which the capital is reduced. Release from these obligations may also be effected through the cancellation of shares, in accordance with Article 186 of this law.

Article 126
Prohibition of return of contributions

Except in cases provided for in this law, contributions may not be returned to shareholders.

Article 127
Legal and other reservations

1. From the profit after tax, realized during the previous financial year, after deducting expenses, the company must transfer to the legal reserve, at least 5 percent of this value, until this reserve is equal to 10 percent of the company's registered capital, or a higher value, determined in the statute.

2. The statute may provide for the creation of other reserves from annual profits.

3. The company calculates and distributes dividends only after the amounts set aside for the reserves mentioned in points 1 and 2 of this article have been deducted from the annual profit.

Article 128
Dividend declaration

1. Dividend is the portion that belongs to each shareholder from the value of annual profits,

which is decided to be distributed by the general assembly.

2. Annual profits are calculated in accordance with the principles set forth by Law No. 9228, dated 29.4.2004 “On Accounting and Financial Statements”.

3. Except in cases where the statute provides otherwise, the dividend is distributed among the shareholders, in proportion to the value of the registered capital that the shares of each shareholder represent.

4. In accordance with the principles set out in Article 14 of this Law, the general meeting may decide that the company shall not distribute dividends or that the annual profit shall not be paid to shareholders holding shares of specific categories, but that these amounts shall be used for other purposes. The rights of shareholders, according to the provisions of the statute, may be changed only through a decision taken by three-quarters of the votes, as defined in Article 145 of this Law.

Article 129
Recovery of illegal payments

Shareholders are obliged to return to the company all amounts received from it in violation of the provisions of this law. This includes dividends, if the shareholder knew or had no reason to be unaware that the dividend or other advantages were received in violation of the provisions of this law. A lawsuit for the return of benefits, according to this article, is prescribed within 3 years from the date of the irregular payment.

Article 130
Compensation for transactions between the company and shareholders

With the exception of actions related to capital contributions, the remuneration received by the shareholder, based on an economic action carried out with the company, cannot be higher than the normal market value at that time for similar economic actions.

Article 131
Default on loan

1. When a shareholder lends money to the company, applying less favorable conditions than normal market conditions and if the company is insolvent, then the shareholder does not have the right to demand the return of the loan, when this action would result in the reduction of the company's own capital below the value of its minimum capital.

2. If a third party has granted a loan to the company, according to the conditions of point 1 of this article, and the repayment of the loan is guaranteed by the shareholder, then the third party, in cases where the company is insolvent, may only request the company to repay the amount that it was unable to execute from the shareholder's guarantee.

3. Points 1 and 2 of this article shall also apply to other actions of the shareholder or third parties, if, from an economic point of view, they are similar to the loan agreements provided for in these points.

Article 132
Responsibility for repaid loans

1. When, in the cases referred to in Article 131 of this Law, the company, during a period of 1 year prior to the date of opening of bankruptcy proceedings, has returned the loan to the shareholder, then the shareholder to whom the loan has been returned, or who has provided a guarantee, must return to the company the amounts of the loan that have been paid by it. The shareholder is liable up to the value of the guarantee, at the time when the loan has been returned. The shareholder is not liable for these amounts, when the collateral provided as a guarantee is transferred to the company for the

payment of the loan.

2. Point 1 of this Article shall also apply to other actions of the shareholder or third parties, if from an economic point of view they are similar to the loan agreements provided for in point 1 of this Article.

Article 133
Prohibition of subscription of shares

1. The company may not subscribe its own shares. The purchase of its own shares by the company is permitted only in the cases provided for by this law.

2. A controlled company cannot subscribe or purchase the shares of the parent company.

3. If during the establishment or capital increase procedure, a third party, contrary to the above, has subscribed or purchased shares on behalf of a company, or a controlled company, according to point 2 of this article, then he is deemed to have subscribed or purchased them on his own behalf.

4. The shares acquired, according to point 1 of this article, within one year from the date of acquisition, must be sold by the company or canceled, according to article 186 of this law and deregistered from the share register.

5. The company may not exercise, for its own shares, the rights that, according to law, derive from their ownership.

TITLE IV
SOCIETY BODIES

Article 134
Bodies and publication

1. The bodies of joint stock companies are:

a) the general assembly;

and, subject to the provisions of the statute,

b) the board of directors, as the sole management body, which simultaneously exercises management and supervision functions of the company's activities (single-tier system);

c) supervisory board and one or more administrators, where the functions of administration and supervision are distributed between these 2 bodies (two-tier system).

In this case, according to the provisions of the statute, administrators can be appointed and dismissed by the general assembly or by the supervisory board.

2. Joint stock companies, in their annual performance report and financial statements, must include an explanatory document, which discusses and explains the principles and rules of good governance and internal management of the company and the practices followed by it, in accordance with the provisions of this law. The company's good governance statement must contain a profile of the administrators and members of the councils, as well as explain the elements and facts for which these individuals are qualified to perform the duties assigned to them by the company. This statement shall also be posted on the company's website.

CHAPTER I
GENERAL ASSEMBLY

Article 135
Rights and obligations

1. Except as otherwise provided in this law, and in particular by the provisions of Article 148 of this law, the rights of shareholders, on matters related to the activities and functioning of the company, are exercised through the general assembly.

2. The general assembly makes decisions on the following matters of the company:

a) the definition of trade policies;

b) changes to the statute;

c) the appointment and dismissal of members of the board of directors (one-tier system) and (in the two-tier system) of members of the supervisory board and, when provided for in the statute, the appointment and dismissal of administrators;

ç) the appointment and dismissal of liquidators and authorized accounting experts;

d) approval of the remuneration scheme for the persons mentioned in letters "c" and "ç" of this point;

dh) approval of annual financial statements and activity progress reports;

e) distribution of annual profits;

ë) increase or decrease of registered capital;

f) the division of shares and their cancellation;

g) changes in rights associated with shares of specific types and categories;

gj) representing the company in trials against administrative bodies;

h) reorganization and dissolution of the company;

i) approving the procedural rules of its meetings;

j) other matters expressly provided for by law or statute.

3. The general assembly makes decisions after reviewing the relevant documents, together with the report of the board of directors or supervisory board and the report of the authorized accounting expert.

4. If the company is owned by a single shareholder, the rights and obligations of the general assembly are exercised by the sole shareholder. All decisions taken by the sole shareholder are recorded in a register of decisions, the data of which cannot be changed or deleted. In particular, but not limited to, the following decisions must be recorded:

a) approval of annual financial statements and activity progress reports;

b) distribution of annual profits and coverage of losses;

c) increase or decrease of capital;

ç) investment decisions;

d) reorganization and dissolution of society.

Decisions not registered in the register of decisions are absolutely invalid. The company cannot object to the invalidity of a third party who has acquired rights in good faith, unless the company proves that the third party was aware of the invalidity or, based on clear circumstances, could not have been unaware of it.

Article 136
Meeting of the general assembly

1. The general assembly shall be convened in the cases specified by this law, by other laws or by the provisions of the statute and whenever the meeting is necessary to protect the interests of the company. The ordinary meeting of the general assembly shall be convened at least once a year.

2. The general assembly is convened by the administrators and, in the cases provided for by this law, by the members of the board of directors, the supervisory board or by the shareholders determined under Article 139 of this law.

3. The general assembly must be convened if, according to the annual balance sheet or interim financial reports, it results or is clearly foreseen that losses amount to an amount equal to 50 percent of the registered capital or that the company's assets do not cover the liabilities that are due within the following 3 months.

4. The general assembly must be convened when the company proposes to sell or dispose of assets, which have a value higher than 5 percent of the company's assets, resulting from the latest certified financial statements. Point 4 of Article 13 of this law applies in the case when the actions under this point will be carried out with the persons mentioned in points 2 and 3 of Article 13 of this law.

5. The general assembly must be convened when the company, within the first 2 years after

registration, proposes to purchase, from a shareholder, assets that have a value higher than 5 percent of the company's assets, resulting from the latest certified financial statements.

6. In the cases provided for in points 3 to 5 of this article, a report by an independent authorized accounting expert shall be presented to the general assembly.

7. The provision of point 6 of this article does not apply if the purchases, according to points 4 and 5 of this article, are carried out on the stock exchange or are part of the daily operations of the company and are made under normal market conditions.

8. In the cases provided for in points 3 to 5 of this article, the general assembly may adopt an advisory resolution, approving or criticizing the activity of the administrative bodies.

Article 137
Call method

1. The general meeting shall be convened by written notice or, if provided for by the statute, by electronic mail. The written notice or electronic message and the agenda shall be sent to all shareholders no later than 21 days before the date set for the meeting.

2. This notice must also contain:

a) the name of the company, registered office, place and time of the assembly meeting;

b) a detailed explanation of the procedures to be followed by shareholders to participate and vote in the assembly, which should include:

i) shareholders' rights, according to Article 139 of this law;

ii) proxy voting procedures, special forms to be used during proxy voting and the electronic means by which the company will accept notification of authorized representatives;

iii) procedures for voting, by electronic means or by correspondence;

c) information on the location and methods of obtaining in full the documents and draft decisions specified in points 1 and 2 of Article 138 of this law;

ç) the address of the company's website, where the information specified in this article can be obtained. The notice of the general assembly meeting, together with the agenda, shall also be posted on the company's website.

3. 21 days before the date set for the general meeting, including the day of the meeting, the company must make available to shareholders on its website, at least the following information:

a) the information under points 1 and 2 of this article;

b) the total number of shares and voting rights belonging to these shares on the date of the notice of the meeting, including the total amounts for each category of shares, when the company's capital is divided into two or more categories of shares;

c) any document that will be made available to the general assembly.

4. In the case where the joint stock company has many shareholders, the call for the general assembly meeting may also be notified to the shareholders through the publication of the information as above in a daily newspaper with distribution throughout the country.

Article 138
Agenda

1. The agenda, which is announced according to Article 137 of this law, must also contain the proposed decisions on each issue.

2. If the general assembly has to decide on amending the statute, the text of the amendments must be announced together with the agenda.

3. The administrators must respond, in writing, to any written request for clarification of the agenda, sent by shareholders no later than 8 days before the date of the general assembly meeting.

4. When the general assembly has not been convened according to the formalities of this article and of article 137 of this law, it may take valid decisions only if all shareholders are present and agree to take decisions, notwithstanding the irregularity.

Article 139
General assembly meeting and agenda, requested by minority shareholders

1. Shareholders who own shares representing at least 5 percent of the registered capital of the company or a lower percentage, as provided for in the statute, may address a written request to the administrators, including communication by e-mail, to convene the general assembly and/or, no later than 8 days before the date of the assembly meeting, to request the inclusion of certain issues on the agenda. The request must state the reasons and objectives, as well as the issues on which the general assembly must take decisions. If the request is not accepted, these partners have the right to convene the general assembly and place issues on the agenda, in accordance with point 1 of Article 137 of this Law.

2. If the general assembly, contrary to point 1 of this article, is not convened, or the issue requested by them is not included in the agenda, each of the shareholders who have made the request has the right:

a) file a lawsuit in court to declare a breach of the duty of loyalty, if the governing bodies do not comply with their requests within 15 days;

b) request the company to purchase the shares owned by them, according to Article 133 of this law.

3. In cases where the agenda is changed, according to the provisions of point 1 of this article and the call has been notified to the partners, the administrators shall notify the agenda again, in the same manner in which the first notification was made.

Article 140
Representation in the assembly

1. A shareholder may be represented at the general meeting, based on an authorization from another shareholder or a third person.

2. Administrators and members of the board of directors or supervisory board may not act as representatives of shareholders in the general assembly.

3. Authorization may be granted only for one general assembly meeting, which also includes subsequent meetings with the same agenda.

4. The authorized representative is obliged to declare any fact or circumstance that, in the judgment of the represented shareholder, risks influencing the decision-making of the representative for interests other than those of the represented shareholder.

Article 141
Participation in the general assembly meeting

1. The statute or the general assembly may establish rules for the procedures for holding and participating in the assembly. These rules shall be approved by the general assembly by a majority of three-quarters of the capital represented at the meeting, in accordance with Article 145 of this law.

2. Except where otherwise provided in the statute or in the rules approved above, the general assembly shall appoint a chairman.

3. During the general assembly meeting, a list of shareholders present and their representatives shall be prepared, indicating the names and addresses of each, together with the number of shares, the number of votes that these shares confer, the nominal value of the shares, as well as their type or category, held by each participant. This list shall be made available to the shareholders and their representatives and shall be signed by them.

4. Shareholders, through a unanimous written agreement, may decide that any decision that they are entitled to make under this law or the company's statutes shall be made unanimously.

Article 142
Participation by electronic means of communication

1. The statute may provide for shareholders who are not present, the possibility of participating in the general assembly meeting by various means of communication, including electronic means, provided that the identification of the partners is guaranteed.

2. Electronic means include, but are not limited to:

a) broadcasting the general assembly meeting in real time;

b) mutual communication, which enables partners to express themselves in the general assembly meeting in real time, from another location;

c) mechanisms that enable the voting process, before or during the general assembly meeting, without the need to appoint an authorized representative to physically participate in the meeting.

3. The use of electronic means to enable shareholders to participate in the general assembly meeting is subject to the provision of the necessary technical measures to guarantee their identification and the security of electronic communications to the extent that this use is proportionate to the achievement of these purposes.

Article 143
Minutes of assembly meetings

1. All decisions of the general assembly must be recorded in the minutes. The administrators are responsible for keeping the minutes.

2. The minutes must contain the following information: the date of the meeting, the place of the meeting, the agenda, the name of the chairman and the keeper of the minutes, the voting results, the decisions taken, the chairman's position on the decision-making, as well as the shareholders who expressed their opposition.

3. The list of participants and the documentation of the call for the general assembly are also attached to the minutes.

4. The minutes and the list of participants must be signed by the chairman and the minute taker.

5. No later than 15 days from the date of the meeting, the administrators are obliged to publish a copy of the minutes of the general assembly meeting on the company's website.

Article 144
Quorum

1. In the case of matters to be decided by a simple majority, the general meeting may take valid decisions only if shareholders holding more than 30 percent of the shares with voting rights are present or represented. When the meeting must decide on matters requiring a qualified majority, according to Article 145 of this Law, the general meeting may take valid decisions only if shareholders holding more than half of the total number of shares with voting rights, or their representatives, participate in the vote in person or vote in writing or by electronic means, according to the provisions of Article 142 of this Law.

2. If the general assembly cannot be convened due to the lack of the quorum referred to in point 1 of this article, the assembly shall convene again no later than 30 days, with the same agenda.

Article 145
Decision making

1. Except in cases where the statute provides for a higher majority, the general assembly decides with three-quarters of the votes of the shareholders participating in the vote, according to the

provisions of point 1 of article 144 of this law, regarding the amendment of the statute, the increase or decrease of the registered capital, the distribution of profits, the reorganization and dissolution of the company.

2. Except as otherwise provided in this law or in the statute, the general assembly shall make decisions on other matters listed in Article 135 of this law by a majority vote of the shareholders present.

3. Except as otherwise provided in this law, the validity of decisions that impose additional obligations on shareholders or decisions that limit their rights, provided for in this law, in the statute or in other decisions, is conditional on the approval of the relevant shareholder.

Article 146
Voting method

1. Unless otherwise provided by this law or the statute, the general assembly shall make decisions through open voting.

2. For the appointment and dismissal of members of the board of directors or, as the case may be, of the supervisory board or administrators, the general assembly decides by secret ballot, if this method of voting is requested by shareholders who own a number of shares representing at least 5 percent of the company's registered capital.

Article 147
The right to vote

In accordance with the provisions of paragraph 1 of Article 122 of this law, each share carries the right to one vote.

Article 148
Exclusion from voting

1. The shareholder may not exercise the right to vote if the general assembly must make a decision on:

a) evaluation of its activity;

b) the forgiveness of any obligation incumbent upon him;

c) the filing of a lawsuit against him by the company;

ç) granting or not granting new benefits.

2. In cases where the shareholder is represented by authorization, this prohibition also applies to the authorized person.

Article 149
Preference shares, without voting rights

1. Preference shares, without voting rights, enjoy all other rights deriving from their ownership, according to this law.

2. The effects of the decision of the general assembly to cancel, limit or impair the priority rights of these shares are conditioned by the consent of the shareholders who own them.

3. The approval, according to point 2 of this article, is taken during a special meeting, the validity of which is conditioned by the presence of shareholders, who own more than 1/2 of the part of the company's capital, represented by preferred shares. The special decision on these issues is taken with the approval of 3/4 of the shareholders, who own preferred shares, present or represented at the meeting. The statute may not change this majority, or set other conditions or procedures, mandatory to be followed for this issue.

4. If the priority is canceled, then these shares regain voting rights.

Article 150
Special investigations

1. The general assembly may decide to launch a special investigation into irregularities in the company's establishment and commercial activities. The investigation shall be conducted by an independent expert in the field.

2. Shareholders representing at least 5 percent of the total votes in the company's assembly or a smaller value provided for in the statute and/or creditors of the company, who claim that the company has obligations towards them in an amount not less than 5 percent of the registered capital, may request the general assembly to appoint an independent expert in the field, when there are well-founded suspicions of a violation of the law or the statute. Shareholders or creditors of the company defined above, within 30 days after the assembly's refusal to appoint an independent expert, may request the court to appoint this expert. If the general assembly does not take a decision within 60 days from the date of the request, the request of the shareholders or creditors is considered rejected.

3. When the general assembly has appointed an expert in the field to conduct the special investigation, the shareholders or creditors referred to in point 2 of this article may request the court to replace the expert, when there are reasonable suspicions that the expert may not conduct the special investigation in the proper manner.

4. When the court accepts the requests mentioned in points 2 and 3 of this article, the commercial company shall bear the costs of appointing and rewarding the expert appointed to conduct the special investigation.

5. The right to request a special investigation, according to points 1 and 2 of this article, must be exercised within 3 years from the date of registration of the commercial company, when the investigation has as its object irregularities in the establishment process and within 3 years from the date of the action, which is considered irregular, when the investigation has as its object irregularities in the exercise of commercial activity.

6. Creditors who, in bad faith, submit requests under point 2 of this article, shall respond in accordance with Article 34 of the Code of Civil Procedure.

Article 151
Annulment of irregular decisions and compensation

1. The general assembly has the right to request the competent court to annul the decisions of the administrators and, as the case may be, of the board of directors or the supervisory board, when these are considered to be serious violations of the law or the statute.

2. Shareholders representing at least 5 percent of the total votes in the company's assembly or a smaller value, provided for in the statute and/or creditors of the company, who claim that the company has obligations towards them in an amount not less than 5 percent of the registered capital, may request the general assembly to file a lawsuit as above. The shareholders or creditors of the company, defined above, within 30 days after the assembly's refusal to file a lawsuit, have the right to file a lawsuit directly before the relevant court for the annulment of the administrators' decision. If the general assembly does not take a decision within 60 days from the date of the request, the request of the shareholders or creditors is considered rejected.

3. Depending on the body specified in point 1 of this article, whose decision is being sued for annulment, the general assembly shall participate in the trial through the administrators, through the board of directors or the supervisory board. The company may also participate in the trial through a special representative appointed by the general assembly.

4. Minority shareholders or creditors referred to in paragraph 1 of this Article may request the court to replace the special representative, who is not part of the bodies referred to in paragraph 3 of this Article, when there are reasonable doubts that the representative appointed by the general assembly may not file and pursue the lawsuit in the best interest of the company. If the court accepts this request, the costs of appointing and remunerating the representative shall be borne by the company.

5. The court shall declare the contested decision invalid if the body that issued the contested

act does not reach an agreement with the person representing the company, according to points 3 or 4 of this article, on the correction of the consequences of the decision, within 30 days from the date of appointment of this representative. The rights of third parties remain unaffected, in accordance with point 3 of Article 12 of this law.

6. Minority shareholders and creditors defined above have the rights provided for in points 2 and 4 of this article, even in the case where the general assembly does not make a decision or refuses to decide on their request to file a lawsuit against administrators or members of the councils, with the aim of compensating for the damage suffered by the company, as a result of the illegal decision, or to file other lawsuits, as provided for by this law or the statute, against administrators or members of the board of directors or supervisory board.

7. The provision of point 6 of Article 150 of this law also applies to the lawsuits provided for in this article.

Article 152
Rights attached to the share

A shareholder who is prevented from exercising the rights arising from the ownership of a company's shares has the right to request a court order to stop the infringement or to claim damages. The lawsuit must be filed within 3 years after the prevention of the exercise of the right.

Article 153
Prohibition of restrictions

1. The provisions of the statute that limit or exclude any of the rights of shareholders or creditors, according to the definitions mentioned in articles 150, 151 and 152 of this law, as well as the provisions that provide for general restrictions on actions, defined in these articles, are invalid.

2. The decisions of the general assembly may not infringe the right of shareholders or creditors to carry out the actions provided for in articles 150, 151 and 152 of this law.

CHAPTER II
BOARD OF DIRECTORS. SINGLE-LEVEL SYSTEM

Article 154
Rights and obligations

1. The Board of Directors has the following rights and responsibilities:

a) to provide directives to administrators for the implementation of the company's commercial policies;

b) to control and supervise the implementation of the company's commercial policies by the administrators;

c) to prepare, at the request of the general assembly, the taking of measures that are within the competence of the latter, to recommend to it the necessary decisions to be taken, as well as to implement the decisions of the assembly;

ç) to call a general assembly meeting whenever deemed necessary for the interests of the company;

d) ensure that the company complies with the law and accounting standards;

dh) to examine and control the accounting books, documents and assets of the company;

e) ensure that the annual financial statements, activity progress reports, as well as other reporting and publication obligations, mandatory under the law or the statute, are accurately carried

out by the administrators. These documents must be approved and signed by all members of the board of directors for submission to the general assembly, together with a report of the board of directors for approval and a description of the supervision of management throughout the financial year;

ë) ensure that the audit of the books and accounting records is carried out at least once a year by an authorized, independent accounting expert and the audit report, addressed to the general assembly, is made available to all members of the board of directors. The report of the board of directors, referred to in letter "e" of this point, must also contain the opinion on the audit report;

f) to appoint and dismiss administrators, to divide powers between them;

g) to determine the remuneration of administrators;

gj) to approve the assumption of liabilities with a value higher than 5 percent of the company's assets, resulting from the latest certified financial statements, through the signing of loans or the issuance of bonds or other debt instruments;

k) to decide on the establishment of long-term commercial cooperation and propose policies for the establishment of commercial companies or new groups;

i) to carry out other actions specified in the law and the statute.

2. In the cases provided for in points 3, 4 and 5 of Article 136 of this law, the board of directors must immediately convene the general assembly to consider whether the company should be dissolved or to take other necessary and appropriate measures.

Article 155

Number, appointment and composition of the board of directors

1. The board of directors shall consist of at least three or a greater number, but not more than 21 members. The members shall be individuals, the majority of whom shall be independent and distinct from the company's administrators.

2. The members of the board of directors are elected by the general assembly with the majority required in point 2 of article 145 of this law, applying the term of appointment, determined in the statute, which may not exceed 3 years. The members of the board of directors may be re-elected.

3. The articles of association may provide that shareholders who jointly hold a number of shares representing at least 5 per cent or a smaller value of the registered capital shall have the right to appoint a member of the board of directors by special resolution. The members thus elected may not increase the number of members of the board of directors above the maximum number of 21 members.

4. Independent members of the board of directors are considered persons who do not have a conflict of interest, as defined in point 3 of Article 13 of this law.

Article 156

Limited eligibility

1. Members of the board of directors may be elected from among the shareholders and employees of the commercial company, as well as from among other individuals outside the company.

2. An individual may not be elected as a member of the board of directors if he is, at the same time:

a) member of the board of directors or supervisory board in 2 other companies registered in the Republic of Albania;

b) is an administrator of a parent company or a controlled company of the company;

c) is a director of another company, which has as a director or member of the board of directors a member of the board of directors or supervisory board of the first company.

3. Any appointment made in violation of paragraph 2 of this article is absolutely null and void. The rights of third parties are protected under article 12 of this law.

4. Membership in the supervisory board or board of directors of other companies in a group is considered membership in only one board.

5. Individuals running for appointment as members of the board of directors are required to immediately inform the company of any conflict of interest and membership in the boards of other companies.

Article 157
Removal

1. The general assembly may dismiss, at any time, a member of the board of directors, by a simple majority of votes. This right may not be excluded by the statute or by agreement. Claims related to the remuneration of the member, based on contractual relations with the company, are regulated according to the legal provisions in force.

2. A member of the board of directors elected in accordance with point 3 of Article 155 of this Law may be dismissed by decision of the minority shareholders who elected him. When the conditions provided for in the statute for this specific appointment are no longer in force, the general assembly may dismiss the member in question by a simple majority of votes.

3. The Board of Directors, by simple majority vote, may request the relevant court to dismiss a member if he has violated the duties provided for in point 3 of Article 163 of this law.

Article 158
Administrators

1. The board of directors shall appoint one or more natural persons as directors of the company, for a term specified in the statute, which may not exceed 3 years. The directors of the company may be re-elected. Members of the board of directors may perform the duties of director as long as the majority of the members of the board of directors are independent members who do not perform this duty. The appointment shall take effect upon registration with the National Registration Center and the rights of third parties shall be protected in accordance with Article 12 of this Law. The statute may establish special rules for the appointment.

2. The administrator of a parent company may not be elected as an administrator of a controlled company and vice versa. The administrator of a parent company may not be the chairman of the board of directors of a controlled company and the administrator of a controlled company may not be the chairman of the board of directors of the parent company. Any appointment made in violation of these provisions is absolutely null and void. The rights of third parties are protected under Article 12 of this law.

3. Administrators have the right and are obliged to:

a) carry out all administrative actions of the company's commercial activity;

b) to represent the commercial company;

c) ensure the accurate and regular maintenance of the company's documents and accounting books;

ç) to prepare and sign the annual balance sheet, the consolidated balance sheet and the activity progress report, which they submit to the board of directors for approval, together with the proposals for the distribution of profits, to be subsequently submitted for approval by the general assembly;

d) to create a monitoring and early warning system for circumstances that threaten the existence of society;

dh) to carry out mandatory registrations and publications of company data, according to the provisions of this law or other laws;

e) to report to the board of directors on the implementation of commercial policies and, upon the implementation of actions of particular importance, on the company's activities;

ë) to perform other duties, as defined by law and the statute.

4. The duties assigned by law to the board of directors cannot be delegated to administrators.

5. In the cases provided for in points 3, 4 and 5 of Article 136 of this law, the administrators must immediately inform the chairman of the board of directors.

6. If the company appoints more than one administrator, they shall administer the company jointly. The statute or regulations, approved by the board of directors, may provide otherwise.

7. The board of directors may dismiss the directors at any time. Claims related to the remuneration of the member, based on the contractual relationship with the company, are regulated according to the legal provisions in force.

Article 159
representation

1. Restrictions on the representation rights of administrators may be directed against third parties, in accordance with the provisions of Article 12 of this law.

2. The administrators, who have the right to represent the company jointly, may authorize some of them to perform certain actions or to perform certain categories of actions. Notifications addressed to each of the administrators are valid and binding on the company.

3. The representation rights of administrators and any changes thereto are registered with the National Registration Center.

Article 160
remuneration

1. Members of the board of directors may receive a basic salary and additional bonuses, including a share of the company's profit or stock options. The salary of the directors may be supplemented by additional bonuses. The scheme of these bonuses is prepared by the board of directors and approved by the general assembly.

2. In accordance with the scheme referred to in point 1 of this article and the financial situation of the company, individual remuneration shall be determined by the board of directors and shall reflect, in an appropriate manner, the division of duties between members who hold the office of directors and independent members who are not directors.

3. If the company is in financial difficulties, the general assembly may decide to reduce, to the appropriate extent, the remuneration, according to point 2 of this article.

4. The remuneration scheme, referred to in point 1 of this article, the individual remunerations granted to administrators and independent members who are not administrators, together with a report on the annual effect of these schemes on the company's assets, shall be published together with the annual financial statements, in accordance with letter "e" of point 1 of Article 154 of this law.

Article 161
Regulations, chairman and special committees

1. The statute or the board of directors may establish regulations for the procedure for the functioning of board meetings and for decision-making. The decisions of the board of directors on these regulations shall be taken unanimously.

2. The board of directors shall elect its chairman and vice-chairman, in accordance with the provisions of the statute. The vice-chairman shall exercise the duties of the chairman when the latter is unable to perform them personally. An administrator may not be elected chairman of the board of directors.

3. The proceedings of the meetings of the Board of Directors shall be recorded in minutes, which shall be signed by the chairman. The minutes shall contain the place and date of the meeting, the names of the participants, the agenda, a description of the issues discussed and the decisions taken. Irregularities in the keeping of minutes shall not result in the invalidity of the decisions taken. Each member shall have the right to receive a copy of the minutes.

4. The board of directors may establish special committees, composed of its members, to prepare meetings or decisions or to supervise the implementation of the board's decisions, in particular those related to the activities of the directors, their remuneration and the auditing of the books and accounting records. Each committee must consist in its majority of independent members, who are not directors.

Article 162
Decision making

1. The decisions of the Board of Directors are considered valid if more than one-half of the members are present during the decision-making process. Except in cases where the statute provides otherwise, decisions are taken by a majority vote of the members present and when there is a tie on an issue, the vote of the chairman prevails.

2. Decisions of the board of directors may be taken according to the provisions of the statute or regulations of the board, by expressing the vote in writing, by telephone or by other means of electronic communication, except in cases where a member of the board has objections to this method of decision-making.

3. Exemptions from the right to vote, according to Article 148 of this law, also apply to members of the board of directors.

Article 163
Duty of loyalty and responsibility

1. In addition to what is provided for in Articles 14, 15, 16, 17 and 18 of this law on the obligation of loyalty, administrators and members of the board of directors are obliged to:

a) to carry out their duties, as defined by law or statute, in good faith and in the best interest of the company as a whole, paying particular attention to the impact of its activities on the environment;

b) to exercise the powers granted to them by law or by statute only for the achievement of the purposes set forth in these provisions;

c) appropriately assess the issues on which a decision is made;

ç) to prevent and eliminate cases of conflict, present or potential, of personal interests with those of the company;

d) to guarantee the approval of agreements, according to point 3 of Article 13 of this law;

dh) to exercise their duties with the necessary professionalism and care.

2. Administrators and members of the board of directors are liable to the company for any action or omission in the performance of their duties, except in cases where the action or omission was performed in good faith, based on sufficient investigation and assessment of information and is reasonably related to the purposes of the commercial company.

3. Administrators or members of the board of directors who act in breach of their duties and violate the standards of care referred to in points 1 and 2 of this article shall be obliged to compensate the company for the damages resulting from the violations, as well as to pass on any personal gain that they or persons associated with them have made from these irregular actions. Administrators or members of the board of directors shall have the burden of proof to prove that they performed their duties properly and according to the required standards. When the violation is committed by more than one administrator and/or member of the board of directors, they shall be jointly and severally liable to the company.

4. In particular, but not limited to, administrators and members of the board of directors are obliged to compensate the company for damages caused if, in violation of the provisions of this law, they carry out the following actions:

a) return contributions to shareholders;

b) pay interest or dividends to shareholders;

c) subscribe, purchase, accept as guarantee or cancel the company's shares;

ç) issue shares before the transfer of the contribution in kind or the redemption of the nominal value or at a higher price;

d) distribute the company's assets;

dh) allow the company to continue its commercial activity when, based on its financial situation, it should have been foreseen that the company would not have the solvency to settle its obligations;

e) in the event of a capital increase, they issue shares before the conditions are met or when the contribution has not been transferred in accordance with the requirements of Article 123 of this

law;

ë) make payments in favor of members of the board of directors or administrators;

f) provide loans.

5. The provisions of point 6 of Article 151 of this Law shall also apply to lawsuits arising from points 3 and 4 of this Article. These lawsuits must be filed within 3 years from the commission of the violation or its discovery.

Article 164

Joint and several liability of the board of directors and administrators

The members of the board of directors and the administrators are jointly and severally liable for the truthfulness of all financial statements, mandatory publications and other key information on the company's organizational activities, such as, but not limited to, information on the company's risk management system, business prospectuses, investment plans, technical and organizational resources, and the company's good governance resources, structures and practices. Points 3 and 5 of Article 163 of this Law shall also apply to the provisions of this Article.

Article 165

Request for special supervision

1. Shareholders representing at least 5 percent of the share capital or a smaller percentage provided for in the statute, or creditors of the company whose claims against it amount to at least 5 percent of the registered capital, may request the board of directors to carry out special supervision on specific issues, especially when the legality of the actions of the directors is under consideration.

2. If the board of directors does not comply with the request referred to in paragraph 1 of this article, within 30 days, the shareholders and creditors in question may initiate the procedure provided for in Article 150 of this law.

CHAPTER III

ADMINISTRATORS AND SUPERVISORY BOARD,

TWO-LEVEL SYSTEM

Article 166

Provisions in force

1. In the two-tier management system, administrators manage the company and make decisions on how to implement business policies, while the supervisory board, in its capacity as a supervisory body, reviews the implementation of these policies and their compliance with the law and the statute.

2. In accordance with the general rule on the separation of powers and functions, according to point 1 of this article, the provisions of articles 154 to 165 of this law also apply to the relations between administrators and members of the supervisory board, where the functions of this board, in accordance with article 167 of this law, correspond to the supervisory functions of the board of directors.

Article 167

Composition, rights and obligations of the supervisory board and administrators

1. The Supervisory Board is responsible for all functions defined in points 1, letters “b” to “g” and “ i ” and 2 of Article 154 of this law.

2. Based on the provisions of the statute, administrators may be appointed and dismissed, in accordance with points 1 and 2 of Article 158 of this law, by the general assembly or by the

supervisory board. Along with the functions of points 3, 4 and 5 of Article 158 of this law, administrators have the right and must also perform the functions specified in letters “a”, “gj”, “h” and “ i ” of point 1 of Article 154 of this law. With the exception of the case provided for in Article 13 and by letter “e” of point 1 of Article 154 of this law, the actions of administrators are subject to approval by the supervisory board only if this is expressly provided for in the statute.

3. The company's administrators, administrators of other companies in the same group, as well as persons related to the above persons, may not be elected members of the supervisory board, according to the provisions of point 3 of article 13 of this law.

4. The provisions of Articles 155 and 157 of this law also apply to the number of members, appointment, composition and dismissal of members of the supervisory board, with the following exceptions:

a) the members of the council must not perform management functions and the majority of them must be independent;

b) the statute may provide that some of them may be elected and/or dismissed by the company's employees.

5. Articles 160, 161 and 162 of this law also apply to the remuneration, internal organization and decision-making of the supervisory board.

6. The members of the supervisory board shall be liable for damages caused by the breach of their duties and the standard of care, as defined in points 1, 2 and 3 of Article 163 of this Law. For the breaches committed by the administrators, according to the provisions of point 4 of Article 163 of this Law, the members of the supervisory board shall be liable when they do not notify the general assembly, even though they are aware of these breaches, or when they have not discovered them because the supervisory function, according to the requirements of this Law, has not been performed correctly and according to the required standards.

TITLE V
CAPITAL INCREASE

CHAPTER I
GENERAL PROVISIONS

Article 168
Conditions for all forms of capital increase

1. Except for the case provided for in Article 176 of this law, the increase in capital shall be carried out by decision of the general assembly, in accordance with point 1 of Article 145 of this law.

2. When the capital increase changes the rights deriving from the ownership of a category of shares, the validity of the decision of the general assembly is subject to the consent of the affected shareholders, which must meet the formal requirements of point 3 of Article 149 of this law.

3. The registered capital cannot be increased if the contributions for previously subscribed shares have not yet been paid.

4. The provisions of this law on the subscription, redemption and transfer of contributions for shares, and, in particular, Articles 107 to 114 and 123 to 133, shall also apply to the case of capital increase.

Article 169
Registration and publication of capital increase

1. Administrators are obliged to notify for registration with the National Registration Center the decision to increase the capital, in accordance with Article 43 of Law No. 9723, dated 3.5.2007 “On the National Registration Center”. The decision is also published on the website of the commercial company.

2. The application for registration of the decision referred to in point 1 of this article shall be accompanied by the report of the authorized expert, verifying the value of the contributions in kind,

according to Article 113 of this law.

3. After the capital increase has been carried out, the administrators shall notify the National Registration Center of the implementation of this action. The accompanying information shall include a list of the persons who have subscribed for the shares, together with the amounts paid. This list shall be signed by the administrators.

4. The capital increase becomes effective on the date of registration of its implementation at the National Registration Center.

Article 170
Prohibition of the issuance of shares

Before the capital increase is registered with the National Registration Center, new shares may not be issued and the rights attached to them may not be transferred. Shares issued in violation of this provision are invalid. The persons who commit the violation are jointly and severally liable to the underwriters for damages caused by an invalid issue.

Article 171
Start of profit sharing participation

1. Except where otherwise provided in the issuance decision, the new shares participate in the profits of the entire financial year in which the decision for this increase was made.

2. The decision to increase the capital may provide that the new shares shall participate in the profits of the financial year preceding the year in which the decision to increase the capital was taken.

Article 172
Capital increase and single-shareholder company

A company with a single shareholder may offer new shares to third parties and become a company with multiple shareholders. This change is notified for registration to the National Registration Center.

CHAPTER II
CAPITAL INCREASE BY ISSUE OF NEW SHARES

Article 173
conditions

The registered capital of the company can be increased by issuing new shares against new contributions.

Article 174
Right of pre-emption

1. The shareholders of the company have the right of pre-emption for newly issued shares, in proportion to the part of the registered capital represented by the shares held by them. This right must be exercised no later than 20 days after the publication provided for in Article 169 of this Law.

2. The rights referred to in point 1 of this article may be restricted or excluded by the decision of the general assembly on the increase of capital. The administrators must submit to the general assembly a report, giving the reasons for the restriction or exclusion of these rights and justifying the proposed issue price. This decision may be taken only if the restriction or exclusion of rights has been previously published on the company's website and notified for registration with the National Registration Center.

CHAPTER III
LIMITED CAPITAL INCREASE

Article 175
Conditions for limited capital increase

1. The general assembly may decide that the capital increase shall be carried out by issuing new shares, to be subscribed only by existing shareholders.

2. Limited capital increase may only be carried out with the unanimous approval of all shareholders.

CHAPTER IV
AUTHORIZED ENLARGEMENT

Article 176
Conditions for authorized capital increase

1. The statute or a decision of the general meeting to amend the statute may grant the administrators the right to carry out, within a period of 5 years from the registration of the company, an increase in the capital by issuing new shares, for a maximum specified value (authorized capital). The value of the authorized increases may not be greater than half of the registered capital of the company on the date on which the decision on the authorized increase is taken.

2. The statute may provide for other conditions, in particular the condition that if the administrators exercise the authorization of the increase, all or some of the issued shares may or must be granted to the company's employees or to employees of other companies, part of a group.

CHAPTER V
INCREASE OF CAPITAL WITH COMPANY ASSETS

Article 177
conditions

1. After approving the balance sheet of the previous year, the general assembly may decide to increase the registered capital, transferring available reserves and undistributed profits to the basic capital.

2. The portion of reserves that exceeds 1/10 of the registered capital or a higher reserve value specified in the statute, as well as undistributed profits, may be transferred to the initial capital.

3. Reserves and retained earnings cannot be transferred to the core capital if the balance sheet of the previous year results in a loss.

Article 178
Registration and publication of the capital increase with the company's assets

1. The registration of the decision to increase the capital, according to Article 177 of this Law, must be accompanied by the balance sheet, on the basis of which the capital was increased, by the confirmation of the authorized accounting expert and the latest income and expenditure statement. The application must also include a declaration of the administrators, according to which it is confirmed that the state of the company's assets is such that, if the decision to increase had been taken on the date of the application for registration with the National Registration Center, the increase would still be possible.

2. The notification for registration at the National Registration Center must specify that the capital increase was carried out by transferring the company's reserves or retained earnings.

Article 179
Proportional distribution of newly issued shares

Shareholders have the right to own newly issued shares in proportion to their shares, prior to the capital increase. Any decision of the general assembly, which conflicts with this provision, is invalid.

CHAPTER VI
CONVERTIBLE BONDS AND THEM
WITH PROFIT SHARING

Article 180
Convertible and participating bonds

1. The general assembly may issue bonds that guarantee their holders the right to convert them into shares or the right to pre-empt shares, which are called convertible bonds, as well as bonds that give the holders the right to participate in profits, which are called participating bonds.

2. The general assembly may authorize the board of directors (in a one-tier system) or the administrators (in a two-tier system), within a period of 5 years and under the relevant conditions, to issue the bonds referred to in point 1 of this article. The relevant administrative body shall notify the National Registration Center, for registration and publication, of the decision referred to in point 1 of this article.

3. Bonds with profit participation may offer priority in the distribution of profits, as provided for in point 1 of Article 116 of this law, for preferred shares.

4. Shareholders enjoy the same rights for convertible bonds and those with profit participation that this law grants them for pre-emption in the case of the issuance of new shares.

TITLE VI
REDUCTION OF CAPITAL

CHAPTER I
REGULAR REDUCTION OF CAPITAL

Article 181
conditions

1. The registered capital of the company may be reduced by decision of the general assembly, in accordance with the provisions of point 1 of Article 145 of this law.

2. If the reduction changes the rights of a certain category of shares, its validity is conditioned by the consent of the relevant shareholders, which must meet the formal requirements of point 3 of Article 149 of this law.

3. Capital reduction is achieved through a reduction in the nominal value of shares.

4. The registered capital may be reduced below the minimum values provided for in Article 107 of this law only in the case when the reduction is accompanied by a simultaneous increase in the capital.

Article 182
Registration and publication of the decision

The decision to reduce the capital is notified to the National Registration Center for registration by the administrators, in accordance with Article 43 of Law No. 9723, dated 3.5.2007 “On the National Registration Center”. This decision must also be published on the company's website.

Article 183

Protection of creditors' rights

1. Creditors whose claims were raised before the date of publication of the decision to reduce the capital have the right to obtain sufficient guarantees from the company for loans that had not become due before the date of publication of the decision. This right may be exercised only if the creditors request the guarantee within 90 days after the date of publication.

2. Before the end of the period referred to in point 1 of this article and before the relevant creditors have been repaid or have received sufficient guarantees, the company may not make payments in favor of shareholders or waive obligations to repay contributions, as a result of the reduction of capital.

Article 184
Registration and publication of capital reduction

1. The administrators notify the National Registration Center of the capital reduction, in accordance with Article 43 of Law No. 9723, dated 3.5.2007 "On the National Registration Center".

2. The capital is considered reduced, starting from the moment of registration of the decision.

CHAPTER II
SIMPLIFIED CAPITAL REDUCTION

Article 185
conditions

1. The reduction of capital to cover losses, as well as the transfer of funds to reserves, are carried out through a simplified procedure.

2. Articles 181, 182 and 184 of this law are also applicable to the case of simplified capital reduction.

CHAPTER III
REDUCTION OF CAPITAL BY CANCELLATION OF SHARES

Article 186
conditions

1. The capital may also be reduced through the cancellation of shares.

2. Cancellation of shares is only permitted:

a) when this action is permitted by the statute or by a decision amending the statute, which was taken before the subscription of the shares that will be subject to cancellation;

b) in accordance with Article 133 of this law;

c) if the shareholders who own these shares accept the cancellation.

Provision of the statute is not necessary if the relevant shareholders give their consent.

3. The cancellation of shares must meet the requirements of an ordinary reduction of capital. In this case, the decision of the assembly is replaced by the decision of the administrators.

4. Payment of the value of the cancelled shares, in favor of the shareholders, shall be made in accordance with the provisions of Article 183 of this law.

5. The provisions for the ordinary reduction of capital are not applicable if shares, the contributions of which have been fully paid up, are transferred to the company without consideration.

6. The decision to reduce the capital is notified for registration to the National Registration Center by the administrators, in accordance with Article 43 of Law No. 9723, dated 3.5.2007 "On the National Registration Center".

The capital is reduced, starting from the moment of registration of the decision.

TITLE VII
THE DESTRUCTION OF SOCIETY

Article 187
Causes of the breakdown of society

1. The joint stock company is dissolved:
a) when the duration for which it was established expires;
b) by decision of the general assembly;
c) upon the opening of bankruptcy proceedings;
ç) if it has not carried out commercial activities for two years and the suspension of activity has not been notified, in accordance with point 3 of article 43 of law no. 9723, dated 3.5.2007 "On the National Registration Center";
d) by court decision;
dh) for other reasons provided for in the statute.
2. The possession of all shares in a single hand does not result in the dissolution of the company. In this case, the provisions of point 2 of article 114 of this law shall apply.

Article 188
Registration of dissolution of the company

1. Administrators are obliged to register the dissolution of the company with the National Registration Center, in accordance with Article 43 of Law No. 9723, dated 3.5.2007 "On the National Registration Center".
2. If the dissolution is made by court decision, the court shall register the dissolution decision ex officio.

Article 189

Liquidation in a state of solvency

Except in cases where a bankruptcy procedure has been initiated, the dissolution of the joint-stock company results in the opening of liquidation procedures in a state of solvency, according to articles 190 to 205 of this law.

PART VI
LIQUIDATION IN A STATE OF SOLVENCY

TITLE I
NORMAL LIQUIDATION IN A STATE OF SOLVENCY

Article 190
General provisions

1. The dissolution of commercial companies results in the opening of liquidation proceedings in a state of solvency, except in cases where a bankruptcy procedure has been initiated.

2. Except as otherwise provided in this title, the provisions applicable to companies that have not been dissolved shall also apply to companies in liquidation.

3. Articles 191 to 203 of this law provide for the rules for the ordinary liquidation procedure in the state of solvency for all types of companies. These companies are liquidated by a simplified procedure, in accordance with Articles 204 and 205 of this law.

Article 191
Appointment of liquidators

1. In general partnerships and limited partnerships, liquidation is carried out by all partners or by a liquidator appointed unanimously by them. In the case where a partner has more than one heir, the heirs appoint a common representative. If the partners do not notify the National Registration Center that all partners will be liquidators or do not appoint a liquidator within 30 days from the date of dissolution, then any interested person may apply to the court to appoint a liquidator.

2. In limited liability companies and joint-stock companies, liquidation shall be carried out by liquidators appointed by the general assembly. If the general assembly fails to take a decision on the appointment of liquidators within 30 days after the dissolution, any interested person may apply to the court to appoint a liquidator. The provisions of point 6 of article 91 of this law shall also apply to this case.

3. Any interested person, according to points 1 and 2 of this article, has the right to request the court to replace the liquidator, according to the decision of the partners, in accordance with point 1 of this article or of the assembly, in accordance with point 2 of this article, if he presents sufficient reasons to suspect that the orderly liquidation of the company may be violated by the liquidators appointed as above. The request must be filed with the court within 30 days from the date of appointment of the liquidator.

Article 192
Appointment of liquidators by the court

The court appoints the liquidator in cases where the commercial company is dissolved by court decision.

Article 193
Dismissal of liquidators

1. Liquidators are dismissed and replaced under the same conditions as provided for in the provisions for their appointment.

2. Lawsuits related to the liquidator's remuneration, based on contractual relations with the company, are regulated according to the legal provisions in force.

Article 194
Registration at the National Registration Center

1. The company administrators shall notify the National Registration Center for registration of the data of the first liquidators and their names to represent the company, together with the relevant documents, in accordance with Article 43 of Law No. 9723, dated 3.5.2007 “On the National Registration Center”. The liquidators shall deposit their signature. The liquidators shall also notify the National Registration Center for registration of any changes to their identity and names of

representation. The appointment of liquidators by the court shall be registered ex officio, in accordance with Article 45 of Law No. 9723, dated 3.5.2007 “On the National Registration Center”.

2. Upon the opening of liquidation proceedings, the registered name of the joint-stock company is followed by the notation “in liquidation”.

Article 195
Invitation to creditors

The liquidators must invite the creditors of the company to file their claims for its dissolution. The company publishes this notice twice, with an interval of 30 days, on its website, if any, as well as on the website of the National Registration Center. The notice must state that the claims must be filed within 30 days from the date of the last notice.

Article 196
Administration by liquidators

1. The liquidator assumes the rights and obligations of the administrators from the date of his appointment.

2. If the company appoints more than one liquidator, unless the appointment act provides that they act separately from each other, the liquidators shall jointly exercise the rights and obligations under this law. The liquidators may authorize one of them to perform actions of a special category.

3. The limitations of the liquidators' rights are directed against third parties, in accordance with the provisions of point 2 of Article 12 of this law.

4. The liquidator is subject to the supervision of the other partners, the general assembly, the board of directors or the supervisory board.

5. Article 17 of this law does not apply to liquidators.

Article 197
Rights and obligations of the liquidator

1. The task of the liquidators is to close all operations of the company, collect uncollected loans and unpaid contributions, sell the company's assets and repay creditors while respecting the order of referral, according to Article 605 of the Civil Code.

2. The liquidator may also carry out new commercial transactions to close an unfinished transaction.

3. If, based on the claims filed by creditors, pursuant to Article 194 of this Law, the liquidators observe that the assets of the commercial company, including unpaid contributions, are not sufficient to pay these claims, the liquidators are obliged to suspend the liquidation procedure and request the relevant court to initiate bankruptcy proceedings.

4. In a general partnership or limited partnership, the partners are liable for the obligations of the partnership, in accordance with the responsibilities assigned to each by this law, for covering losses. If a partner does not pay his share of the losses, then the other partners are obliged to pay his share in proportion to the shares that each of them owned in the partnership. The partners who have paid the share of the defaulting partner have the right of recourse against him.

Article 198
balances

The liquidator prepares a balance sheet of the company at the time of opening the liquidation and a final balance sheet at the time of closing these procedures. If the liquidation procedure lasts

more than one year, the liquidator also prepares the annual financial statements of the company. Balance sheets in general partnerships and limited partnerships are approved by the other partners, while in joint-stock companies or limited liability companies they are approved by the general assembly.

Article 199
Creditor protection

1. The liquidators may not distribute the remaining assets before the end of the 3-month period from the publication of the second call, addressed to the creditors, to file their claims.

2. If a creditor of the company, of whom the liquidator is aware, does not claim his rights, the relevant amounts shall be deposited with the court, while the goods shall be deposited in a warehouse at the expense of the creditor. The general rules for the deposit contract shall apply.

3. If an obligation cannot be settled immediately or if it is disputed, the assets may only be distributed if the creditor has been given appropriate security.

Article 200
Liquidator's report, remuneration and dismissal

1. After the company's obligations to creditors have been paid and the liquidator has been compensated, together with the reimbursement of the latter's expenses for carrying out his duties, the remaining assets are distributed to the partners or shareholders.

2. After the company's obligations to creditors have been paid, the liquidators shall present to the other partners of the general partnership or limited partnership or to the general assembly a report on the liquidation procedure, on the obligations paid and on its remuneration.

3. If the other partners in the general partnership or the general assembly approve the report, the liquidators are released from duty and receive the remuneration specified in the report.

4. If the report is not approved, the liquidators may apply to the court with a request to dismiss them from office, as a result of the proper fulfillment of their duties.

5. After the liquidator is dismissed by the court, he has the right to receive the remuneration determined in the report.

Article 201
Asset distribution

1. After paying off the obligations to creditors, the liquidator distributes the remaining assets to the partners or shareholders, according to the rights they have in the distribution of profits, except in the case where the statute provides for a preferential order.

2. Assets that have been leased or used by the company, under any title, shall be returned to the partners or shareholders. The partners or shareholders shall not be entitled to compensation in the event of destruction, damage or reduction in the value of the assets, unless this is due to the action or inaction of the company or the persons acting on its behalf.

Article 202
Completion of liquidation

After the distribution of the remaining assets, the liquidator notifies the National Registration Center of the completion of the liquidation and requests the deregistration of the company, in accordance with Section V of Law No. 9723, dated 3.5.2007 “On the National Registration Center”.

Article 203
Liability of the liquidator

1. The activity of the liquidator cannot be challenged after the deregistration of the company

by the National Registration Center.

2. The liquidators shall be liable to the creditors for damages caused during the liquidation procedure, in accordance with the provisions governing the liability of administrators. If there are several liquidators, they shall be jointly and severally liable. In addition to the liquidators, the partners of the limited liability company and the shareholders shall be jointly and severally liable to the creditors of the company up to the amount distributed to them. Creditors who have not filed their claims within the time limit, pursuant to Article 194 of this Law, or creditors of whom the liquidator was not and could not have been aware, shall not have the right to file a lawsuit, pursuant to the first and second sentences of this point.

3. The lawsuits mentioned in point 2 of this article must be filed within 3 years after the deregistration of the company by the National Registration Center.

TITLE II
SIMPLIFIED LIQUIDATION

Article 204
Conditions and procedures

1. A commercial company may be liquidated through an accelerated procedure, if this is decided by all partners or shareholders and when they declare before the relevant court that all obligations of the company towards creditors have been settled and all relations with employees have been regulated.

2. The administrators, in accordance with Article 43 of Law No. 9723, dated 3.5.2007 "On the National Registration Center", notify the National Registration Center of the decision to liquidate the company, through the simplified procedure, for registration.

3. Administrators are liable for damage caused by the breach of their duties during simplified liquidation. In addition to administrators, partners or shareholders of the company are jointly and severally liable up to the amounts received.

4. Lawsuits, according to point 3 of this article, must be filed within 3 years from the date of deregistration of the company by the National Registration Center.

Article 205
Deletion after shortened liquidation

The provisions provided for in Article 202 of this law shall also apply in the case of completion of simplified liquidation.

PART VII
GROUPING OF COMPANIES

Article 206
Obligation to inform

Whenever a person acquires or transfers shares of a joint-stock company and, as a result of this action, the total number of votes held in the general assembly becomes, respectively, greater or smaller than 3 percent, 5 percent, 10 percent, 15 percent, 20 percent, 25 percent, 30 percent, 50 percent or 75 percent, this person, within 15 days of the action, is obliged to notify this action in writing to the National Registration Center.

Article 207
Parent and controlled companies

1. A parent-controlled company relationship is deemed to exist when a commercial company regularly behaves and acts according to the guidelines and instructions of another company. This control is called a controlling group.

2. When a company, based on the share of capital held in another company or based on an agreement with that company, has the right to appoint at least 30 percent of the administrators, members of the board of directors or supervisory board thereof, or when it holds at least 30 percent of the total votes in the general assembly, then this company is considered the parent of the other company, while the other company is considered a controlled company. This control is called an influential group.

3. The rights of the parent company over the controlled company, provided for in point 2 of this article, are considered as such even in the case when these rights are exercised through another company, controlled by the parent company or by a third person, acting on behalf of this other company or on behalf of the parent company itself.

4. The third party is presumed to act on behalf of the parent company if it falls within the definitions of points 2 and 3 of Article 13 of this law.

Article 208
Consequences of the existence of the control group

1. If a parent-controlled company relationship exists, according to the definition of point 1 of Article 207 of this law, the parent company is obliged to cover the annual losses of the controlled company.

2. The partners or shareholders of the controlled company have the right to request at any time the parent to purchase the quotas, shares or bonds owned by them in the company.

3. The creditors of the subsidiary have the right to request at any time the parent to provide sufficient guarantees for their loans to the subsidiary.

4. Creditors of the controlled company are considered persons who have suffered damages from the actions of the controlled company, regardless of the place of registration of the latter.

Article 209
Obligation of loyalty to the influential group

1. If a parent-controlled company relationship exists, as defined in point 2 of Article 207 of this law, the representatives of the parent must act, taking into account:

a) any obligation of the parent company, according to articles 14, 15, 16, 17 and 18 of this law, or in the case of a limited liability company, according to article 98 of this law and in the case of a joint stock company, according to article 163 of this law;

b) the consequences and benefits that a decision has for the group as a whole;

c) the interest of the controlled company.

2. The representatives of the parent company are considered to have violated the obligation of loyalty if the independent administrators, taking into account the above, would not have made that decision.

3. Representatives of the parent company are obliged to act in accordance with the provisions regulating the obligation of loyalty towards the controlled company, including the obligation to act in the best interest of the latter.

Article 210
Liability for damage

1. When the representative of the parent company has violated the obligation of loyalty,

according to Article 209 of this law, this company, on whose behalf the representative acted, is obliged to compensate for the damage caused in this case.

2. In the cases provided for in point 1 of this article, the members of the parent's administrative bodies are jointly and severally liable for the damage caused.

3. Members of the administrative bodies of the controlled company who violate the obligation of loyalty are jointly and severally liable, together with the persons specified above.

Article 211
Claim for compensation for damages

1. If the controlled company has not initiated the necessary procedures for compensation for damage within 90 days after the damage referred to in point 1 of Article 209 has become apparent, the claim of the controlled company may be filed when:

a) the controlled company is a company, collective or limited partnership, by each partner;

b) the controlled company is a limited liability company, by the partners, who own at least 5 percent of the total votes in the general assembly meeting or a smaller value, determined in the statute, as well as any creditor of the company. In this case, the provisions of point 6 of article 91 of this law apply;

c) the controlled company is a joint stock company, by shareholders who own shares representing at least 5 percent of the registered capital or a lower value, provided for in the statute, and/or its creditors, who claim against the company obligations in a value not less than 5 percent of the registered capital.

2. Claims as above must be filed within 3 years from the date the damage was noticed.

3. Creditors of the controlled company are also considered those persons who have suffered damages from the actions of the controlled company, regardless of the place of registration of the latter.

Article 212
Right of sale

If the parent owns 90 percent or more of the shares, stocks or quotas of the subsidiary, the owners of the remaining shares, stocks or quotas have the right to request the parent to purchase these at the market price, within 6 months of the request.

PART VIII
STATE SOCIETY

Article 213
Applicable provisions

1. A state-owned company is a commercial company that carries out commercial activities of general economic interest, the shares of which are owned directly or indirectly by the central government, local government or by a company where these governments act as a parent, according to the definition of Article 207 of this law.

2. The establishment, organization and functioning of a state-owned company are subject to

the provisions of this law.

PART IX
REORGANIZATION OF LIMITED LIABILITY COMPANIES AND I JOINT STOCK COMPANIES

Article 214
General provisions

1. The provisions of this Part are applicable only to limited liability companies and joint stock companies.

2. A company may be reorganized through merger with another company, through division into two or more other companies, or through conversion of legal form.

3. Companies may be reorganized only after they have been registered for at least one year.

4. The merger of companies shall be carried out in accordance with the provisions on the protection of competition.

TITLE I
UNION

Article 215
The definition

Two or more companies can merge through:

1. The transfer of all assets and liabilities of one or more companies, called the absorbed companies, to another existing company, called the absorbing company, in exchange for shares or quotas of that company. This process is called a merger by absorption.

2. The establishment of a new company, to which all the assets and liabilities of the existing companies that are merging are transferred in exchange for shares or quotas of the new company. This process is called a merger with the creation of a new company.

CHAPTER I
ABSORPTION MERGER

Article 216
Merger agreement and report

1. The legal representatives of the companies participating in the merger shall draft a written draft agreement, specifying at least:

a) the registered names and headquarters of the companies participating in the merger;

b) the acceptance by the parties of the transfer of the assets of each company being absorbed, in exchange for shares or quotas of the absorbing company;

c) the exchange ratio of shares or quotas and any amount payable in cash;

ç) the conditions for the allocation of shares or quotas in the acquiring company;

d) rights deriving from the shares of the acquiring company;

dh) the rights that the acquiring company recognizes to the holders of shares, quotas or special rights of the acquired companies or any other measure in their favor;

e) special advantages granted to administrators, members of the board of directors, supervisory board or authorized accounting experts;

ë) the consequences that the merger will have on employees and their representatives, as well as the measures proposed for them.

2. The legal representatives of each of the companies participating in the merger shall draw up a detailed report explaining the merger agreement and describing the legal and economic basis for it, in particular the ratio of the exchange of shares, quotas or special rights. The report shall also describe

the specific valuation difficulties encountered. The report shall also describe the consequences of this merger for the employees of the participating companies.

3. Each company participating in the merger, no later than 1 month before the date set for the assembly meeting, for the decision specified in Article 218 of this law, shall file with the National Registration Center and publish on the company's website, if any, the draft agreement and the merger report, according to point 2 of this article, while the annual financial statements, activity progress reports and documents shall be published, on a mandatory basis, for at least the last three years.

4. Companies that meet the requirement of point 3 of Article 214 of this law, but that have been registered for less than three years, shall submit the documentation, according to point 3 of this article, only for the years in which they have been registered.

Article 217
Expert report

1. The legal representatives of the companies participating in the merger shall appoint independent licensed experts in various fields to assess the terms of the draft merger agreement. The experts may be appointed for each company or jointly for all companies participating in the merger. They shall be appointed by the relevant court, if so requested by the legal representatives.

2. The experts shall draw up a written report, stating, inter alia, whether, in their opinion, the share/quota exchange ratio is fair and reasonable. In the statement, the experts shall state, in particular:

a) the method or methods used to arrive at the proposed share/quota exchange ratio;

b) whether this method or these methods are appropriate for the case in question, indicating the values achieved through the use of the method/methods and giving an opinion on the relative importance of each method in arriving at the established value;

c) for the specific evaluation difficulties that have been encountered.

3. The experts have the right to obtain from the merging companies all relevant information and documents, as well as to conduct all necessary investigations.

4. The expert report shall be filed with the National Registration Center and published on the website, if any, of the companies participating in the merger, at least one month before the date set for the meeting of the assembly, in relation to the decision set out in Article 218 of this law.

5. The involvement of experts, according to points 1, 2, 3 and 4 of this article, may be excluded if all shareholders/partners of the merging companies give their approval.

Article 218
Approval of the merger agreement

1. The draft merger agreement shall take effect only after it has been approved by the partners or shareholders of all companies participating in the merger. The draft merger agreement shall be approved, respectively, in accordance with the majority provided for in point 1 of Article 87 and point 1 of Article 145 of this Law.

2. When the draft merger agreement affects the rights of specific shareholders/partners or the rights deriving from shares of specific categories, then the draft agreement is subject, as the case may be, to the approval of the affected partners or shareholders, or to a special vote, which is taken by a three-quarters majority of the votes of each affected share category.

3. Each shareholder or partner of the companies participating in the merger has the right to examine the documents on the basis of which the merger is carried out, in accordance with Article 15 of this Law. Shareholders or partners may request information about the merger during the general assembly meeting.

Article 219
Capital increase

The increase in the registered capital of the absorbing company, carried out within the framework of the merger, is not subject to the provisions relating to:

a) prohibition of enlargement until outstanding payments for previously subscribed quotas/shares are made;

b) conditions for subscribing to new shares/quotas;

c) pre-emptive rights by shareholders/partners of new shares/quotas.

Article 220

Registration, publication and consequences

1. The legal representatives of the companies participating in the merger shall notify the merger for registration at the National Registration Center, together with the merger agreement, the minutes of the assembly approving the merger, and the minutes of the approval of the individual partners/shareholders. Where applicable, the above-mentioned information shall also be published on the companies' website, if any.

2. If the registered capital of the acquiring company is increased, within the framework of the merger, the value of the increase shall be announced together with the merger.

3. Registration of the merger of companies at the National Registration Center:

a) results in the transfer to the acquiring company of all the assets and liabilities of the company being acquired. This transfer has consequences both in the relations between the companies and in relation to third parties;

b) causes the shareholders or partners of the absorbed company to become shareholders or partners of the absorbing company;

c) causes the company being absorbed to be considered bankrupt, and is therefore deregistered from the National Registration Center, according to section V of law no. 9723, dated 3.5.2007 "On the National Registration Center", without going through the liquidation process.

Article 221

Creditor protection

1. If the creditors of a company participating in a merger, within 6 months from the publication of the draft merger agreement, in accordance with Article 220 of this Law, submit in writing the title and value of their claims, the company must provide them with sufficient guarantees for their loans. A sufficient guarantee for creditors is considered to be a written declaration given by the legal representatives of the companies participating in the merger, where it is accepted that the assets of the companies will be administered separately until the obligations of all creditors are met. If this guarantee is not provided by the legal representatives of the companies, the creditors may request the court to order the issuance of sufficient guarantees or the annulment of the merger decision.

2. Secured creditors of the bankruptcy proceedings are not entitled to claim the guarantee referred to in point 1 of this article.

3. The legal representatives of the merging companies shall be jointly and severally liable for all damages caused to creditors as a result of the inaccuracy of the declaration referred to in the second sentence of paragraph 1 of this article.

Article 222

Protection of holders of special rights

The absorbing company is obliged to guarantee the holders of convertible bonds and preferred shares the same rights that they enjoyed in the absorbed company.

Article 223

Protection of the rights of partners and shareholders

1. When the shareholders or partners of the merging companies have not given their consent to the merger, they shall have the right to request from the company the purchase of the shares or quotas held by them by the company resulting from the merger at market value, or in case of disagreement, at the price determined by an independent valuation expert, appointed by the court at the request of these shareholders or partners. Alternatively, the shareholders may request that the absorbing company exchange their non-voting preference shares for voting shares. The provisions of the Code of Civil Procedure shall apply to the objections of the parties during the appraisal process.

2. The rights mentioned in points 1 and 2 of this article must be exercised within 60 days from the date of publication of the merger for the absorbing company, according to Article 220 of this law.

Article 224

Responsibility of administrative bodies, supervisory bodies and experts

1. The administrators, members of the board of directors or supervisory board of the acquiring company shall be jointly and severally liable, together with the acquiring company, for the damages that the partners, shareholders and creditors of the companies participating in the merger have suffered from this action, except in cases where they prove that they have regularly fulfilled the legal obligations related to the valuation of the companies' assets and the procedures for the completion of the merger agreement.

2. The administrators, members of the board of directors or supervisory board of the acquired company, as well as the independent licensed experts engaged in the valuation of the merger, shall be liable for the same reasons and under the same conditions, pursuant to point 1 of this article.

3. In both cases, the above claims must be filed within 3 years from the date of registration of the merger of the relevant company.

Article 225

Merger by absorption in special cases

1. When at least 90 percent of the registered capital of a joint stock company is controlled by the parent, the merger by absorption between these companies may be carried out without the approval of the general meeting of the parent company, except in cases where the shareholders or partners of the parent company, who own at least 5 percent of its registered capital or of the total number of votes, request the convening of the general meeting for the approval of the merger.

2. When the parent owns 100 percent of the shares, the absorbing parent company is not obliged to meet the conditions set out in Articles 216, point 1, letters “b”, “c” and “ç”, 2 and 217 of this law. Also, in this case, the provisions of Article 224 of this law do not apply.

3. The provisions of Articles 206 to 212 of this law shall also apply to mergers, in accordance with the provisions of this Article.

CHAPTER II
UNION WITH THE CREATION OF A NEW SOCIETY

Article 226

Applicable provisions

1. The provisions of Articles 216 to 225 of this Law shall also apply in the case of a merger by the establishment of a new company. The newly established company shall be considered an absorbing company.

2. The company newly created by the merger is subject to the provisions of this law on the establishment of the company.

TITLE II
SEPARATED

Article 227
Definition, applicable provisions

1. A company may be divided by decision of the general assembly, by transferring all its assets and liabilities in favor of two or more existing or newly established companies. The company being divided is considered dissolved.

2. The provisions of Articles 216 to 225 of this law shall apply to the division of the company.

3. The companies that acquire the assets of the company being divided are called the receiving company and are jointly and severally liable for the latter's obligations.

4. The registration of the division of the company at the National Registration Center has the following consequences:

a) the transfer to the recipient companies of all the assets and liabilities of the company being divided, in accordance with the division ratio, as determined in the division agreement. This transfer has consequences for the relations between the companies, as well as for third parties;

b) making the shareholders/partners of the company being divided shareholders or partners of one or more receiving companies, in accordance with the division ratio, specified in the division agreement;

c) the assessment of the company being divided as bankrupt and its deregistration by the National Registration Center, according to section V of law no. 9723, dated 3.5.2007 "On the National Registration Center" without carrying out liquidation.

TITLE III
TURNING

Article 228
General provisions

1. A commercial company may change its legal form, through conversion, as follows:

a) a limited liability company may be converted into a joint stock company and vice versa;

b) a joint stock company with a private offering may be converted into a joint stock company with a public offering and vice versa, if the requirements of this law, law no. 9723, dated 3.5.2007 "On the National Registration Center" and the law on securities are met.

2. The conversion does not have any consequences on the rights and obligations that the company has assumed towards third parties.

Article 229
procedures

1. The administrators of the company being converted shall draw up a detailed report explaining the legal and economic basis of the proposed conversion. The report shall also describe any particular valuation difficulties encountered. The report shall also describe the effect that the conversion will have on the company's employees.

2. The decision to convert the company must be taken by the general assembly, with a three-quarters majority. If the conversion results in a change in the rights and specific obligations of the shareholders or partners, then the validity of the decision to convert is subject to the approval of the shareholders or partners affected. Point 2 of Article 218 of this Law shall apply.

3. The administrators shall summon all shareholders or partners who were not present or represented at the meeting of the assembly that decided on the conversion, requesting them to declare in writing whether or not they accept the conversion of the company, according to the relevant decision. The summoning of shareholders or partners shall be made by announcement, which shall be published at the National Registration Center and on the company's website, if any, twice, with an interval of not less than 15 days and not more than 30 days. The summoned shareholders/partners must file the written declaration at the company's headquarters within 60 days from the last

publication of the summons.

4. The publication of the announcement referred to in point 3 of this article is not mandatory when all shareholders/partners were present or represented at the general assembly meeting or when the general assembly meeting was individually notified to the shareholders/partners in absentia. In the latter case, the deadline is 60 days nisfrom the date of receipt of the notification of the meeting. The approval of the conversion is deemed granted if the shareholders/partners do not declare their position in writing within the specified deadline.

5. For the protection of creditors, holders of special rights and holders of interests who oppose the conversion, Articles 221, 222 and 223 of this law shall apply, respectively.

6. The provisions of Article 224 of this Law shall apply, respectively, to the legal responsibilities of the legal representatives and members of the board of directors or supervisory board of the company undergoing transformation for damages caused by the breach of their duties during the transformation.

7. The conversion shall be notified for registration at the National Registration Center, together with the conversion decision, the minutes of the general assembly on the conversion decision, the documents of the decision of the individual shareholders and of the shareholders who were not present at the assembly meeting. Where appropriate, the above-mentioned information shall also be placed on the company's website.

8. Registration of the company's transformation at the National Registration Center results in:

a) the company being transformed shall continue to exist in the legal form determined in the transformation decision;

b) the shareholders/partners of the company being transformed, to participate in the company, according to the conditions set forth in this law, for the new form of company;

c) the rights of third parties to the shares of the company being transformed shall continue to apply to the shares of the transformed company.

PART X
FINAL AND TRANSITIONAL PROVISIONS

Article 230
Continuity of operation and obligation to adapt

1. Upon the entry into force of this law, existing commercial companies shall continue to operate, in the manner and under the conditions that were valid at the time of their registration.

2. Commercial companies that existed before the entry into force of this law are obliged to adapt their organization and functioning, according to the provisions of this law, within 3 years after its entry into force.

3. Commercial companies that do not comply with the provisions of this law, according to point 2 of this article, are considered dissolved and deregistered by the National Registration Center after the completion of the applicable liquidation procedure.

Article 231
Implementation of this law and subsequent procedures

The provisions of this law apply to the procedures for the establishment or change of a founder, shareholder or partner of the company, to the procedures for the election of bodies, the approval of regulations or statutes and to other organizational procedures initiated at the time of the entry into force of the law.

Article 232

repeal

Laws no. 7632, dated 4.11.1992 “On the general part of the Commercial Code”, no. 7638, dated 19.11.1992 “On commercial companies” and no. 7512, dated 10.8.1991 “On the sanctioning and protection of private property, free initiative, independent private activities and privatization” are repealed upon the entry into force of this law.

Article 233
Entry into force

This law enters into force 15 days after its publication in the Official Gazette.

Promulgated by decree no. 5694, dated 5.5.2008 of the President of the Republic of Albania, Bamir Topi